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**HOUSING AUTHORITY OF THE  
CITY OF LONG BEACH  
ADMINISTRATIVE PLAN  
FOR THE  
SECTION 8  
HOUSING CHOICE VOUCHER  
PROGRAM**

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## Chapter 2

### ELIGIBILITY FOR ADMISSION

#### INTRODUCTION

This Chapter defines both HUD's and the HA's criteria for admission and denial of admission to the program. The policy of this HA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply. The HA staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the HA pertaining to their eligibility.

#### **Eligibility Factors**

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by the HA.

The HUD eligibility criteria are:

- An applicant must be a "family"
- An applicant must be within the appropriate Income Limits
- An applicant must furnish Social Security Numbers for each family member
- An applicant must furnish evidence of Citizenship/Eligible Immigrant Status

For the HA's additional criteria for eligibility, see Section E, "Other Criteria for Admission" (pg. 2-6).

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors. Evidence of Citizenship/Eligible Immigrant Status will not be verified until the family is selected from the waiting list for issuance of a Certificate or Voucher.

#### **A. FAMILY COMPOSITION** [24 CFR 982.54(d)(4)(I)]

The applicant must qualify as a Family. A Family may be a single person or a group of persons. A single person who is pregnant is considered a family. [Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law.]

A group of persons may be:

Two or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship.

Two or more elderly or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides is a family.

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the

home, and is not intended to artificially enlarge the space available for other family members.

A single person may be:

- An elderly person
- A displaced person
- A person with a disability
- Any “other single” person

### **Head of Household**

The head of household is the adult member of the household or emancipated minor who qualifies under State law, who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

### **Spouse of Head**

Spouse means the husband or wife of the head.

For proper application of the Non-citizens Rule, the definition of spouse is: the marriage partner who, in order to dissolve the relationship, would have to be divorced.

### **Live-In Attendant**

A Family may include a live-in aide provided that such live-in aide:

- Is determined by the HA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities,

- Is not obligated for the support of the person(s), and

- Would not be living in the unit except to provide care for the person(s).

A live-in Aide is treated differently than family members:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
2. Live-in aides are not subject to Non-Citizen Rule requirements.
3. Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described above.

The spouse of a live-in attendant may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in's spouse does not overcrowd the unit.



A Live in Aide may only reside in the unit with the approval of the HA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must certify that a live-in Aide is essential to the care and well being of the family member who is elderly, near-elderly (50-61) or disabled.

The HA has the right to disapprove a request for a live-in aide based on the “Other Criteria for Eligibility” described in this Chapter (Section E, pg. 2-6).

### **Split Households Prior to Certificate/Voucher Issuance**

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, the HA will make the decision taking into consideration the following factors:

1. Which family member applied as head of household.
2. Which family unit retains the children or any disabled or elderly members.
3. Restrictions that were in place at the time the family applied.
4. Role of domestic violence in the split.
5. Recommendations of social service agencies or qualified professionals such as children’s protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by the HA.

### **Multiple Families in the Same Household**

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

### **Joint Custody of Children**

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. “51% of the time” is defined as 183 days of the year, which do not have to run consecutively.

When both parents, each of whom is a party to a joint custody agreement, are on the Waiting List and both are trying to claim the child, the parent whose address is listed as the child’s residence in the school records will be allowed to claim the school-age child as a dependent.

**B. INCOME LIMITATIONS** [24 CFR 813.106, 982.201 (b) (d), 982.54(d)(4)(ii)]

In order to be eligible for assistance, an applicant must be either:

A very low-income family; or

A low-income family in any of the following categories:

A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of certificate/voucher issuance. Programs include public housing, all Section 8 programs, all Section 23 programs.

A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

A low-income non-purchasing family residing in a project subject to a home ownership program under 24 CFR 248.173.

A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of mortgage insurance contract under 24 CFR 248.165.

A low-income family residing in a HUD-owned multifamily rental housing project when the project is sold, foreclosed or demolished by HUD. (Certificate program only.)

Note: HUD requires that 75% of new lease-ups be occupied by families defined as “extremely low-income”, that is, 30% of median income for the HUD-defined statistical area.

To determine if the family is income-eligible, the HA compares the Annual Income of the family to the applicable income limit for the family’s size.

Families whose Annual Income exceeds the income limit will be denied admission and offered an informal hearing.

Single-jurisdiction HA’s: The applicable income limit to be used at initial issuance of a certificate or voucher is the income limit of the HA.

Multi-jurisdictional HA’s: The applicable income limit used for initial issuance of a certificate or voucher is the highest income limit with the HA’s jurisdiction.

For admission to the program (initial lease-up), the family must be within the very-low income limit of the jurisdiction where they want to live.

Portability: For initial lease-up, families who exercise portability must be within the very-low income limit for the jurisdiction of the receiving HA for which they want to live.

Participant families who exercise portability, and request or require a change in their form of assistance, must be within the low-income limit of the receiving HA if they are to receive the alternate form of assistance.

**C. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 750.10 (a-f)]**

Families are required to provide verification of Social Security Numbers for all family members age 6 and older prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

All members of the family must either:

1. Submit Social Security Number documentation, or
2. Certify they have not been issued a Social Security Number. If the family member is under the age of 18 at the time of admission, the certification is executed by his/ her parent or guardian. For any family member who obtains a Social Security Number after admission, the information must be provided at the next reexamination.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

**D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR 812.5]**

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the six immigrant categories as specified by HUD.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed Families. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed". Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

No eligible members. Applicant families that include no eligible members will be ineligible for assistance. Such families will be denied admission and offered an opportunity for a informal review.

Non-citizen students defined by HUD in the non-citizen regulations are not eligible for assistance.

**E. OTHER CRITERIA FOR ADMISSION [24 CFR 982.552 (b)]**

The HA may apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. Certificate Program family's Total Tenant Payment, computed in accordance with the federal regulations, may not exceed the current Fair Market Rent as set by HUD for the family's certificate size in the area.
2. The Family must have not have violated any family obligation during a previous participation in the Section 8 program within the past 5 years.

When the HA denies assistance to an applicant with a disability, the applicant may request

a review of the family obligation that was violated, if the violation was related to the disability. An exception may be granted by the HA if the family member who violated the family obligation is not a current member of the household on the application.

3. No family member may have committed fraud, bribery, or any other criminal act in connection with any federal housing program in the last 5 years.
4. Family must have paid any outstanding debt owed the HA or another HA as a result of prior participation in any federal housing program. If debt has not been fully paid but the repayment agreement has been executed, the agreement will be accepted in lieu of full payment as long as the payment is current.
5. No member of the family may have engaged in drug related or violent criminal activity within the past 3 years.

The HA will not be obligated to conduct its own investigations concerning a family's criminal activities as part of the processing of an application for assistance. Initial screening will be limited to routine inquiries of the family and any other information provided to the HA regarding this matter. The inquiries will be standardized and directed to all applicants by inclusion in the application form.

If either as a result of the standardized inquiry or the receipt of a verifiable referral, there is indication that the family or any family member is engaged in drug-related criminal activity or violent criminal activity or has violated any other criteria, the HA may conduct closer inquiry to determine whether the family should be denied admission.

The HA will check criminal history for all applicants/adults in the household to determine whether any member of the family has engaged in violent or drug-related criminal activity.

6. No family member may have been evicted from public housing for any reason during the last 5 years.
7. No family member may have engaged in or threatened abusive or violent behavior toward HA personnel within the last 5 years.

#### **F. SUITABILITY OF FAMILY [24 CFR 982.202 (b) (1)]**

The HA may take into consideration any of the additional criteria for admission in Section E. above, but may not otherwise screen for factors which relate to the suitability of the applicant family as tenants. It is the responsibility of the owner to screen the applicants as to their suitability for tenancy.

If the family believes that it has been unfairly or unlawfully discriminated against, the HA will advise families how to file a Fair Housing complaint (and assist as an accommodation) if they have been discriminated against by an owner. The HA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local Fair Housing Organization.

**G. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT**

Changes that occur during the period between placement on the waiting list and issuance of a certificate or voucher may affect the family's eligibility or Total Tenant Payment. For example, if a family goes over the income limit prior to lease up, the applicant will not continue to be eligible for the program. They will be notified in writing of their ineligible status and their right to an informal review.

**H. INELIGIBLE FAMILIES**

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review, or an informal hearing if they were denied due to non-citizen status. See Chapter 19, "Complaints and Appeals" for additional information about reviews and hearings.

## Chapter 3

### APPLYING FOR ADMISSION

#### INTRODUCTION

The policy of the HA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This Chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but the HA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the waiting list in accordance with this Plan.

#### A. HOW TO APPLY

Families who wish to apply for any of the HA's programs must submit a completed written application form during a period which applications are being accepted. Applications will be made available in an accessible format upon request from a person with a disability.

The application process will involve two phases. The first is the "initial" application for assistance (referred to as a pre-application). This first phase results in the family's placement on the waiting list and subsequent to lottery ranking.

The second phase is the "final determination of eligibility" (referred as the full application). The full application takes place when the family reaches the top of the waiting list. At this time the HA ensures that verification of all HUD and HA eligibility factors is current in order to determine the family's eligibility for the issuance of a certificate or voucher.

#### B. OPENING/CLOSING OF APPLICATION TAKING [24 CFR 982.206, 982.54(d)(1)]

When the HA opens the waiting list, the HA will advertise through radio and television public service announcements and place public notices in local newspapers, minority publications and media entities such as but not limited to:

- The Long Beach Press Telegram
- The Downtown Gazette
- The Grunion Gazette
- Ola
- The Long Beach Times
- Jeti Khmer

Notices announcing the opening of the waiting list will be sent to the following offices and agencies:

- Social Security Administration
- Department of Public Social Services
- Long Beach City Libraries
- Neighborhood Centers
- Local Churches and Synagogues
- Employment Development Centers

The notice will contain:

- The dates, times, and the locations where families may apply;
- The programs for which applications will be taken;
- A brief description of the program;
- A Summary of the limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. They will provide potential applicants with information that includes the HA address and telephone number, how to submit an application, information on eligibility requirements, and the availability of ranking/local preferences.

Upon request from a person with a disability, specified additional time will be given as an accommodation for submission of an application after the closing deadline. This accommodation is to allow persons with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

### **When Application Taking Is Suspended**

The HA may suspend the acceptance of applications if there are enough ranking/local preference holders to fill anticipated openings for the next 48 months. The waiting list may not be closed if it would have a discriminatory effect inconsistent with applicable civil rights laws. Suspension of application taking is announced in the same way as opening the waiting list.

The open period shall be long enough to achieve a waiting list adequate to cover projected turnover and new allocations over the next 48 months. The HA will give at least three days notice prior to closing the list.

When the period for accepting applications is over, the HA will add the new applicants to the list by conducting a lottery among all applicants. New applicants will be placed on the list in lottery determined order, and sequenced with applicants who were on the list previously.

### **Limits on Who May Apply**

When the waiting list is open, any family asking to be placed on the waiting list for Section 8 rental assistance will be given the opportunity to complete an application.

When the application is submitted to the HA it is entered into the lottery to determine placement order on the waiting list.

### **C. “INITIAL” APPLICATION PROCEDURES [24 CFR 982.204 (b)]Error! Bookmark not defined.**

The HA will utilize a preliminary-application form (pre-application). The information is to be filled out by the applicant. To provide specific accommodation to persons with disabilities, the information may be completed by someone other than the applicant. It may also be mailed to the applicant and, if requested, it will be mailed in an accessible format. Translations will be provided for non-English speaking applicants in Spanish and Khmer.

The purpose of the pre-application is to permit the HA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The pre-application will contain questions designed to obtain the following information:

- Names of adult members and age of all members
- Sex and relationship of all members
- Street Address and phone numbers
- Mailing Address (If PO Box or other permanent address)
- Amount(s) and source(s) of income received by household members
- Information regarding Disabilities relating to program requirements (i.e., deductions)
- Information related to qualification for preferences
- Social Security Numbers
- Race/ethnicity
- Citizenship/eligible immigration status
- Request for Specific Accommodation needed to fully utilize program and services

Duplicate applications, including applications from a segment of an applicant household, will not be accepted. Pre-applications will not require an interview. The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the full application process is completed and all information is verified.

Applicants are required to inform the HA in writing [state time period] of changes in family composition, income, and address, as well as any changes in their Preference status. Applicants are also required to respond to requests from the HA to update information on their application, or to determine their continued interest in assistance.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. See Chapter 19, "Complaints and Appeals."

#### **D. NOTIFICATION OF APPLICANT STATUS**

If after a review of the pre-application the family is determined to be preliminarily eligible, they will be notified in writing, in an accessible format upon request, as a reasonable accommodation. The notice will contain the approximate date that assistance may be offered, and will further explain that the estimated date is subject to factors such as turnover and additional funding. This written notification of preliminary eligibility will be mailed to the applicant by first class mail to the address specified by the applicant on the pre-application.

If the family is determined to be ineligible based on the information provided in the pre-application, the HA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 19, "Complaints and Appeals."

#### **E. TIME OF SELECTION**

When funding is available, families will be selected from the waiting list in their preference-determined sequence, regardless of family size. Families at 30% of the median income for the area will be assisted first, until an estimated 75% of new contracts for the year are executed.

When there is insufficient funding available for the family at the top of the list, the HA will not admit any



other applicant until funding is available for the first applicant. Applicants will not be passed over on the waiting list.

A pool of completed eligible applicant files will be maintained to minimize delays in admissions when funding becomes available. However, families are still offered certificates or vouchers in the waiting list sequence.

#### **F. COMPLETION OF A FULL APPLICATION**

All ranking preferences claimed on the pre-application or while the family is on the waiting list will be verified after the family is selected from the waiting list, and prior to completing the full application.

The qualification for preference must exist at the time the preference is verified regardless of the length of time an applicant has been on the waiting list because the preference is based on current status.

After the preference is verified, when the HA is ready to select applicants, applicants will be required to:

Complete a full application in their handwriting, unless assistance is needed, or a request for accommodation is made by a person with the disability. Applicant will then be interviewed by HA staff to review the information on the full application form. During the interview the applicant will be required to furnish complete and accurate information verbally as requested by the interviewer.

#### **Requirement to Attend Interview**

The HA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other HA services or programs, which may be available.

All adult family members are required to attend the interview and sign the housing application. Exceptions may be made for students attending school out of state and for members for whom attendance would be a hardship.

It is the applicant's responsibility to reschedule the interview if s/he misses the appointment. If the applicant does not reschedule or misses three scheduled meetings, the HA will reject the application.

Reasonable accommodation will be made for persons with a disability who requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See Chapter 19, "Complaints and Appeals.")

All adult members must sign the HUD Form 9886, Release of Information, the application form and all supplemental forms required by the HA, the declarations and consents related to citizenship/immigration status and any other documents required by the HA. Applicants will be required to sign specific verification forms for information that is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by the HA.

Information provided by the applicant will be verified including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time student status and other factors related to preferences, eligibility and rent calculation. Verifications may not be more than 60 days old at the time of certificate/voucher issuance.

If the HA determines at or after the interview that additional information or document(s) are needed, the HA will request the document(s) or information in writing. The family will be given 10 days to supply the information. If the information is not supplied in this time period, the HA will provide the family a notification of denial for assistance. (See Chapter 19, "Complaints and Appeals.")

#### **G. SELECTION OF CERTIFICATE OR VOUCHER [24 CFR 982.205 (c)(2)]**

The HA provides an explanation of the differences between the Certificate and Voucher programs orally and/or in writing, and the applicant is asked to specify which type of assistance they prefer, and to indicate if they would accept the other form of assistance.

The family must decide on which form of assistance (Certificate or Voucher) they prefer. If the form of assistance preferred is available, it will be offered to the applicant. When the non-preferred form of assistance is available first, the non-preferred form of assistance will be offered.

The applicant may refuse the first form of assistance offered and retain their place on the waiting list until the other form of assistance is available. If the applicant then refuses the other form of assistance, they will be rejected and their name removed from the waiting list. (See Chapter 19, "Complaints and Appeals.")

#### **H. FINAL DETERMINATION AND NOTIFICATION OF ELIGIBILITY**

After the verification process is completed, the HA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by the HA, and the current eligibility criteria in effect. If the family is determined to be eligible, the HA will mail a notification of eligibility. A briefing will be scheduled for the issuance of a certificate or voucher and the family's orientation to the housing program.

## **Chapter 4**

### **ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST**

[24CFR 982.54(d)(1)]

#### **INTRODUCTION**

It is the HA's objective to ensure that families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family, or made to any family prematurely. This chapter defines the eligibility criteria for the ranking preferences which the HA has adopted to meet local housing needs and explains the HA's system of applying them. By maintaining an accurate waiting list, the HA will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

#### **A. APPLICATION POOL**

The waiting list will be maintained in accordance with the following guidelines:

1. The application will be a permanent file, subject to the City's retention schedule.
2. All applicants in the pool will be maintained in order of preference. Applications equal in preference will be maintained by date and time and lottery determined sequence.
3. All applicants must meet "Very Low Income" eligibility requirements (which is 50% of the median income for the region) as established by HUD. All exceptions to these requirements, other than those outlined in Chapter 2, "Eligibility for Admission," must have been approved previously by the HUD Field Office.

Note: HUD requires that 75% of new lease-ups be occupied by families defined as "extremely low-income", that is, 30% of median income for the HUD-defined statistical area.

#### **B. RANKING PREFERENCES [24 CFR 982.207]**

Ranking preferences are used to prioritize eligible applicants on the waiting lists. The following applicant categories receive a ranking preference:

Residency Preference - Families who live or work in Long Beach or have been hired to work in Long Beach.

Veteran Preference - Members of the US armed forces, and veterans or their surviving spouses.  
Elderly Households - A family whose head or sole member is at least 62 years old.

Disabled Households - A family whose head or sole member is a person with a disability or handicap as defined in the Social Security Act.

Families - Two or more persons residing together or intending to reside together whose incomes are available to meet the family's needs.

Other singles – One-person households in which the individual member is not elderly, disabled, or displaced by government action.

## **Applicants With Preference Over “Other Singles”:**

Applicants who are elderly or disabled households (whether single or not), “families” and single persons displaced by government action will be given a selection priority over all “other single” applicants.

“Other Singles” denotes a one-person household in which the individual member is not elderly, disabled, or displaced by government action. Such applicants will be placed on the waiting list in accordance with their ranking preferences, but cannot be selected for assistance before any elderly family, disabled, family or displaced single.

## **Points Assigned to Ranking Preferences**

The HA has assigned the following points to organize the waiting list and order ranking preferences:

Live or work in Long Beach	8 points
Veterans	6 points
Elderly/disabled/family	4 points
Other singles	1 points

## **C. ORDER OF SELECTION [24 CFR 982.208, 982.207, 982.210 (b)]**

The order of selection is based on the HA’s point system for weighing preferences and the HUD requirement that elderly and disabled families and displaced singles will always be selected before other singles. . The following illustrates the HA’s Waiting List rankings:

### **Lives or works in Long Beach**

1. Head of household or spouse is a Veteran (or family of a Veteran).
2. Head of household or spouse is elderly, disabled, and “families”.
3. Other singles, a one-person household in which the individual member is neither, elderly or disabled.

## **Does not Live or work in Long Beach**

4. Head of household or spouse is a Veteran (or family of a Veteran).
5. Head of household or spouse is elderly, disabled, and “families”.
6. Other singles, a one-person household in which the individual member is neither, elderly or disabled.

## **Applicants with Equal Preference Status**

The waiting list will be organized by date and time of application among applicants with equal preference status.

Under the singles rule, elderly and disabled families and displaced singles will always be selected before other singles without regard to preference status.

## **D. INITIAL DETERMINATION OF RANKING PREFERENCE QUALIFICATION** 24 CFR 982.210 (c)(3)]

At the time of application, an applicant’s entitlement to a Ranking Preference may be established on the basis of an applicant’s certification that they qualify for the preference without verification. When the family is selected from the waiting list for the final determination of eligibility, the preference will be verified.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list and ordered without the Ranking Preference.

If, at the time the family applied, the preference claim was the only reason for placement of the family on the list and the family cannot verify their eligibility for the preference as of the date of application, the family will be removed from the list.

## **Exceptions for Special Admissions [24CFR 982.54(d)(e)]**

Special admissions families receive preferential placement to the top of the waiting list, even if the waiting list is closed. Special admissions to the program must meet all other eligibility criteria for the Section 8 rental assistance program.

Special admissions programs include:

Displaced through Government Action - Families who live in Long Beach and are displaced through government action, through no fault of their own.

Families who live in residential units in Long Beach in which the owner participates in the City of Long Beach Rental Rehabilitation Program.

Families who are living in affordable housing developments built or purchased with the assistance of the City of Long Beach, Redevelopment Agency, or Housing Authority bonds, who become displaced when the affordability conditions attached to those bonds are lifted prior to the original date of termination.

Homeless families referred to the Housing Authority of the City of Long Beach case managers at the Multi-Service Center. Each family will be referred by a case manager, having completed intake and assessment, and having an individual service plan.

Victims of domestic violence needing permanent housing assistance, referred by the City of Long Beach Multi-Service Center. Each family will be referred by a case manager, and must be separated from the abuser by a minimum of six months.

Special admissions for homeless families and victims of domestic violence will not exceed 30 in a calendar year.

Targeted Funding - HUD provides additional funding to the HA targeted to assist families in specific situations (for a specified length of time). Targeted funding categories include:

- . Housing Opportunities for Persons with Aids (HOPWA) Program. The HA receives targeted funding through a consortium of Los Angeles County Housing Authorities to provide rental assistance to participants who reside in long beach and are HIV positive.
- . Displaced due to natural disaster - Targeted funding received from HUD to assist families that live in Long Beach and are displaced due to natural disaster.
- . Multifamily rental housing projects - Families residing in a multifamily rental housing project in Long Beach covered by a project-based Section 8 HAP contract when HUD sells, forecloses, refinances, or demolishes the project.

#### **Points assigned to special admissions to the program:**

All families admitted through the special admissions program receive 12 points while being processed through the waiting list.

#### **E. PREFERENCE ELIGIBILITY [24 CFR 982.210 © (3-4)]**

##### **Change in Circumstances**

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the HA in writing when their circumstances change. When an applicant claims an additional preference, s/he will be placed on the waiting list in the proper order of their newly claimed preference.

##### **Retention of Preference for HOME TBA participants**

If an applicant for Section 8 is assisted under the HOME program and was selected for the HOME program based on their position on the Section 8 waiting list, and funding under the HOME program has terminated, the applicant returns to the Section 8 waiting list with the status held at time of admission to the HOME program.

#### **F. FINAL VERIFICATION OF PREFERENCES [24 CFR 982.210 © (3)(4)]**

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, the HA will obtain necessary verifications of preference at the interview and by third party verification.

**G. PREFERENCE DENIAL [24 CFR 982.210 (d)]**

If the HA denies a preference, the HA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal hearing. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, he/she may be removed from the Waiting List, subject to an Informal Review.

**H. REMOVAL FROM WAITING LIST AND PURGING [24 CFR 982.204 (c)]**

If an applicant fails to respond to a mailing from the HA, the applicant will be sent written notification and given 10 days to contact the HA. If they fail to respond within 10 days they will be removed from the waiting list. An extension will be considered an accommodation if requested by a person with a disability. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated.

The waiting list will be purged every 5 years by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

The same guidelines will be used for failure to respond to this mailing. Notices will be made available in accessible format upon the request of a person with a disability.

**CHAPTER 5**  
**SUBSIDY STANDARDS**  
**[24 CFR 982.402]**

**INTRODUCTION:**

HUD guidelines require that the Housing Authority of the City of Long Beach (HA) establish subsidy standards for the determination of Certificate and Voucher bedroom size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the Certificate or Voucher size must also be within the minimum unit size requirements of HUD's Housing Quality Standards. This Chapter explains the subsidy standards which will be used to determine the certificate/voucher size for various sized families when they are selected from the waiting list, as well as the HA's procedures when a family's size changes, or a family selects a unit size that is different from the Certificate or Voucher size issued.

## **A. DETERMINING CERTIFICATE/VOUCHER SIZE [24 CFR 982.402]**

The HA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Certificate or Voucher. The HA's subsidy standards for determining certificate/voucher size shall be applied in a manner consistent with Fair Housing guidelines.

All standards in this section relate to the number of bedrooms on the Certificate or Voucher, not the family's actual living arrangements. The unit size on the Certificate or Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

**One bedroom will be allocated to the head of household (and spouse), one for each two family members and one for each additional remaining family member. For example, a household that consists of a head of household and two additional persons would be issued a two-bedroom Certificate or Voucher; a household that consists of a head of household and three additional persons would be issued a three-bedroom Certificate or Voucher.**

Space may be provided for a fulltime student who is away at school but who lives with the family during school recesses.

The number of bedrooms on the Certificate or Voucher cannot be more than the number of persons in the household.

Families are not required to use rooms other than sleeping rooms for sleeping purposes for permanent family members.

### **GUIDELINES FOR ISSUING CERTIFICATE/VOUCHER SIZE**

Certificate/Voucher Size	Persons in Household (Minimum #)	Persons in Household (Maximum #)
0 Bedroom	1	2 (spouse only)
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	4	4
4 Bedrooms	6	6
5 Bedrooms	8	10
6 Bedrooms	10	12

Exception may be made for medical reasons and persons of different generations, i.e., grandmother living in household.

Full-time live-in attendants will be provided a separate bedroom. No additional bedrooms are provided for an attendant's family.

Space will not be provided for a family member (except spouse) who will be absent most of the time, such as a member who is away in the military.

## **B. CHANGES IN CERTIFICATE/VOUCHER SIZE [24 CFR 982.403]**



## **Changes for Applicants**

The certificate/voucher size is determined prior to the briefing by comparing the family composition to the HA subsidy standards. If an applicant requires a change in the certificate/voucher size, the following guidelines will apply.

Requests for Exception to Subsidy Standards for Applicants:

**The family must request a larger sized certificate or voucher than indicated by the HA's subsidy standards. Such request must be made in writing within 10 days of the HA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.**

HA shall grant exceptions from the standards if the family requests and the HA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

Circumstances may dictate a larger size than the Subsidy Standards permit when persons cannot share a bedroom because of an accommodation which has been requested, such as:

- Persons who cannot occupy a bedroom because of a verified medical or health reason.
- Elderly persons or Persons with disabilities who may require a full-time live-in attendant.
- Request based on health related reasons must be verified in writing by a medical professional, or social service professional.

If the HA errs in the bedroom size designation, the family will be issued a Certificate or Voucher of the appropriate size so that the family is not penalized.

## **Changes for Participants**

The members of the family residing in the unit must be approved by the HA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the HA within 10 days.

## **Requests for Exception to Subsidy Standards for Participants**

The HA will grant an exception upon request as an accommodation for persons with disabilities.

Based on a medical necessity, the family may request a larger size certificate or voucher than indicated by the HA's subsidy standards. Requests based on health related reasons must be verified by a doctor/medical professional/social service professional. Such requests must be made in writing within 10 days of the HA's determination of bedroom size. The request must explain the need or justification for a larger bedroom size.

When a change in family composition requires the issuance of a larger size Certificate or Voucher, and the additional funds are not available in the program in which the family is assisted, the family will be issued the other form of assistance. If the other form of assistance is also unavailable, the family will be placed on the "transfer list".

## **Under-housed and Over-housed Families**

If a unit does not meet HQS space standards due to an increase in family size, (unit too small, the HA will issue a new Certificate or Voucher and assist the family in locating a suitable unit.

#### Certificate Families Only:

If a Certificate family is occupying a unit which has more bedrooms than allocated under the HA's subsidy standards, and the gross rent exceeds the FMR for the family size under the HA's subsidy standards, the HA will issue the family a new certificate and assist the family in finding a suitable unit.

Certificate families who are under-occupying a unit as defined above will be given a minimum of 60-days before being required to move. The move will generally be required during the annual recertification process.

The HA will also notify the family of the circumstances under which an exception may be granted, such as:

**If a family with a disability is under housed in an accessible unit.**

**If a family requires the additional bedroom because of a health problem which has been verified by the HA.**

### Transfer Waiting List

When a change in family composition requires the issuance of a larger size Certificate or Voucher, and funds are not available for the type of assistance the family has, the family will be transferred to the other form of assistance. **If funds are not available for either program, the family will be placed on a Transfer List.**

Families will be selected from the Transfer List before families are selected from the applicant waiting list. This assures that families who are already on the program are in the appropriate sized units.

Families will be selected from this list when there is available funding, in the following sequence:

1. A participant family (whose family composition has been approved by the HA) who requires a change in Certificate or Voucher size because they are living in a unit, which is overcrowded according to Housing Quality Standards.
2. A participant family (whose family composition has been approved by the HA) who requires a change in Certificate or Voucher size under the Subsidy Standards, but not under Housing Quality Standards.
3. All others who require a transfer as determined by the HA.
4. All others who request a change in assistance.

### C. UNIT SIZE SELECTED

The family may select a different size dwelling than that listed on the Certificate or Voucher. There are three criteria to consider.

1. Rent Limitation: For the Certificate Program, the HA must always apply the FMR for the Certificate size or the unit size selected by the family, whichever is less.

For the Voucher Program, the HA uses the Payment Standard for the Voucher size selected by the family, whichever is less.

2. Utility Allowance: The utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized by the family's Certificate or Voucher.
3. Housing Quality Standards: The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

## HQS GUIDELINES FOR UNIT SIZE SELECTED

	Maximum # of Persons in Household
0 Bedroom	2
1 Bedroom	4
2 Bedrooms	6
3 Bedrooms	8
4 Bedrooms	10
5 Bedrooms	12
6 Bedrooms	14

## CHAPTER 6 FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION

### INTRODUCTION [24 CFR 813]

The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the Regulations.

This Chapter defines the allowable deductions from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 813 and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation. The HA's policies in this Chapter address those areas which allow the HA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

### A. INCOME AND ALLOWANCES

Family Income: (used to calculate TTP) is defined by HUD regulation. In accordance with this regulation, all income from all sources for each member of the household is included in the calculation.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income that has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable deductions.

HUD has five allowable deductions from Annual Income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
2. Elderly allowance: \$400 for families whose head or spouse is 62 or over or disabled.
3. Allowable medical expenses for all family members are deducted for elderly families.
4. Childcare expenses for children under 13 are deducted when childcare is necessary to allow an **adult** member to be employed or attend school.
5. Allowance for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an **adult** family member to be employed.

**B. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT**

[24 CFR 813.106, 982.54 (d)(10), 982.551 (h) (2), (3), (7)]

The HA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, the HA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. The HA will evaluate absences from the unit using this policy.

**Absence of Entire Family** [24 CFR 982.54 (10)]

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, the HA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify the HA before they move out of a unit and to give the HA information about any family absence from the unit. Families must notify the HA if they are going to be absent from the unit for more than 90 consecutive days.

If the entire family is absent from the assisted unit for more than 90 consecutive days, the unit will be considered to be vacated and the assistance will be terminated. "Absence" means that no family member is residing in the unit.

In order to determine if the family is absent from the unit, the HA may:

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors and property owner or manager
- Verify if utilities are in service
- Visit the unit

As an accommodation, a person with a disability may request an extension of time, for additional consecutive days for which that person may be absent from the unit, provided that the total consecutive days of absence do not exceed 180 consecutive days.

### **Absence of Any Member** [24 CFR 982.54 (10)]

Any member of the household will be considered permanently absent if s/he is away from the unit for 90 consecutive days except as otherwise provided in this Chapter.

### **Absence due to Medical Reasons** [24 CFR 982.54 (10)]

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the HA "Absence of Entire Family" policy.

### **Absence due to Incarceration**

If the sole member or any member of the household is incarcerated for 30 or more consecutive days, s/he will be considered permanently absent.

### **Foster Care and Absences of Children**

If the family includes a child or children temporarily absent from the home due to placement in foster care, the HA will determine from the appropriate agency when the child/children will be returned to the home.

If the time period is to be greater than 90 days from the date of removal of the children, the Certificate/Voucher size will be reduced. If one or more children are removed from the home permanently, the certificate or voucher size will be reduced in accordance with the HA's subsidy standards.

### **Absence of Adult**

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, the HA will treat that adult as a visitor for the first 90 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Certificate or Voucher will be transferred to the caretaker.

If custody or legal guardianship has not been awarded by the court, but the action is in process, the HA will secure verification from social services staff or the attorney as to the status.

When the HA approves a person to reside in the unit as caretaker for the children, the income should be counted pending a final disposition. The HA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him or her from the home, the nature of the court order will be evaluated to determine if the person will be considered permanently or temporarily absent.

If an adult family member leaves the household for any reason, the family must report the change in family composition in writing to the HA within 30 days.

Time extension will be granted as an accommodation upon request by a person with a disability.

### **Voluntary Absence**

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home will be treated in the following manner:

A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Certificate/Voucher size.

### **Visitors**

A visitor who is unable to provide satisfactory evidence of residence at another address will be deemed to be an unauthorized family member.

Any adult not included on the HUD 50058 who has been in the unit more than 30 consecutive days, or a total of 60 days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

- Absence of evidence of any other address will be considered verification that the visitor is a family member.
- Statements from neighbors and/or the landlord will be considered in making the determination.
- Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.
- The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the family and the HA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are not considered members of the household may visit for up to 60 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered to be an eligible visitor and not a family member.

### **Reporting Additions to Owner and HA**

Reporting changes in household composition to the HA is both a HUD and a HA requirement.

The family obligations require the family to inform the HA of the birth, adoption, placement or court-awarded custody of a child. The family must request prior HA approval to add any other household/family members in writing.

If the family does not obtain prior written approval from the HA, any person the family has permitted to move in will be considered an unauthorized household member.

An interim reexamination will be conducted for any additions to the household.

In addition, family must obtain prior written approval from the owner when there are changes in family composition.

### **Reporting Absences to the HA**

Reporting changes in household composition is both a HUD and an HA requirement.

If a family member leaves the household, the family must report this change to the HA, in writing, within 30 days of the change and certify as to whether the member is temporarily absent or permanently absent.

The HA will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

### **C. AVERAGING INCOME [24 CFR 813.106 (d)]**

When Annual Income cannot be estimated for a full twelve months, the HA may in this order:

1. Average known sources of income that vary to compute an annual income;
2. Annualize current income and conduct an interim reexamination if income changes;
3. Extrapolate income from previous year(s) earnings.

If there are bonuses or overtime, which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month, this estimate will be used so that the housing payment will not change from month to month.

### **D. MINIMUM INCOME [24 CFR 813.102]**

There is no minimum income requirement. Families who report zero income are required to complete a written certification every 90 days.

### **E. MINIMUM RENT:**

The minimum rent a tenant shall pay is \$25.

Exemptions from the minimum rent will be granted to any family if it is determined that the family is unable to pay the amount due to financial hardship, unless the hardship is temporary. Financial hardship includes circumstances in which families:

- Have lost eligibility or are awaiting an eligibility determination for a federal, state or local assistance program, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- Would be evicted as a result of imposing the minimum rent requirement;
- Experience income decreases because of changed circumstances including loss of employment;
- Have a death in the family; or
- Have other circumstances as determined by the Housing Authority or HUD.

If a family requests a hardship exception, the Housing Authority will suspend the minimum rent charge and adjust the HAP payment effective the first of the month following the change in the family's circumstances. The Housing Authority will request documentation of the hardship and will determine promptly if the hardship is temporary or long term.

If the hardship is determined to be temporary, the minimum rent will be suspended for a period of 90 days from the date of the family's request and reviewed quarterly thereafter. At the end of the 90-day period, the minimum rent will be reinstated retroactively to the date of suspension.

**F. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME**  
[24 CFR 813.106 (a)]

If a family member is permanently (more than 90 days) confined to a hospital or nursing home and there is a family member left in the household, the HA will calculate the Total Tenant Payment in one of two ways:

- a. If the income of the confined person goes directly to the facility, the income and the medical expenses are excluded (treat as permanently absent), **or**
- b. If the income of the confined person goes directly to the family member, the income and the medical expenses are included (treat as temporarily absent).

**G. REGULAR CONTRIBUTIONS AND GIFTS** [24 CFR 813.106 (b)(7)]

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received on a regular basis will be considered a "regular" contribution or gift. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See Chapter 7, "Verification Procedures," for further definition.)



If the family's expenses exceed its known income, the HA will question the family about contributions and gifts.

#### **H. ALIMONY AND CHILD SUPPORT [24 CFR 813.106 (b)(7)]**

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, the HA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

The HA will accept as verification that the family is receiving an amount less than the award if:

The HA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

#### **I. LUMP-SUM RECEIPTS [24 CFR 813.106 (b)(4)]**

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. Lump-sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump-sum payment:

The HA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

#### **Prospective Calculation Methodology**

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

1. The entire lump-sum payment will be added to the annual income at the time of the interim.
2. The lump-sum will be treated as an asset for any interims which occur prior to the next annual recertification.

## **Retroactive Calculation Methodology**

1. The HA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
2. The HA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due the HA.

At the HA's option, the HA may enter into a Repayment Agreement with the family. If the HA determines that the family committed fraud, the termination process will be initiated.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

## **Attorney Fees**

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum payment, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

## **J. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS**

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

## **K. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE**

The HA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. The HA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value.

## **L. CHILDCARE EXPENSES [24 CFR 813.102]**

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school.

In the case of a child attending private school, only after-hours care can be counted as childcare expenses.

Childcare expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the childcare. Examples of those adult members who would be considered incapable to care for the child include:

The abuser in a documented child abuse situation, or

A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allowable deductions for childcare expenses are based on the following guidelines:

**Childcare to work:** The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.

**Childcare for school:** The number of hours claimed for childcare may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).

**Amount of Expense:** The HA uses the prevailing local charges by care providers as a guideline. If the hourly rate materially exceeds the guideline, the HA may calculate the allowance using the guideline.

#### **M. MEDICAL EXPENSES [24 CFR 813.102 (d)]**

Medical expenses, as defined by HUD rules will be used as a guide to determine allowable expenses. When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide.

Nonprescription medicines must be doctor-recommended in order to be considered a medical expense.

Accupressure, acupuncture and related herbal medicines, and chiropractic services must be prescribed by doctors or service care providers to be considered allowable medical expenses.

#### **N. PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES [24 CFR 812.11]**

##### **Applicability**

Proration of assistance must be offered to any “mixed” applicant or participant family. A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

“Mixed” families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter 12, “Recertifications.”) Applicant mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated assistance.

##### **Prorated Assistance Calculation**

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

#### **O. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS [24 CFR 813.102, 813.108]**

The same Utility Allowance Schedule is used for both Certificates and Vouchers.

The Utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not on a family's actual consumption. The HA will review the Utility Allowance Schedule on an annual basis and revise it if needed.

The approved utility allowance schedule is given to families along with their Certificate or Voucher. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, the HA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 60 month period.

Where the Utility Allowance exceeds the family's Total Tenant Payment, the HA will provide a Utility Reimbursement Payment for the family each month. The check will be made out directly to the tenant.

## **Chapter 7**

### **VERIFICATION PROCEDURES**

[24 CFR 750.1, 812.6 & .12, 813.106 & 109, 913.106, 982.108, 982.210-982.213]

#### **INTRODUCTION**

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by the Housing Authority (HA). Applicants and program participants must furnish proof of their statements whenever required by the HA, and the information they provide must be true and complete. The HA's verification requirements are designed to maintain program integrity. This Chapter explains the HA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The HA will ensure that proper authorization from the family is always obtained before making verification inquiries.

#### **A. METHODS OF VERIFICATION AND TIME ALLOWED**

Acceptable methods of verification are used in the following order:

1. Third-Party Written
2. Third-Party Oral
3. Review of Documents
4. Certification and/or Self-Declaration

For applicants, the HA allows 10 days for return of third-party verifications and 10 days to obtain other types of verifications before using the next method. For participants, the HA allows 10 days for return of third-party and other types of verifications before using the next method.

For applicants, verifications are valid for not more than 60 days from date of the document to the date of the Certificate/Voucher issuance.

For participants, verifications are valid for not more than 120 days from the date of the document to the effective date of the recertification or interim recertification.

### **Third-Party Written Verification:**

Third-party verification is used to verify information directly with the source. Third-party written verification forms are sent and returned via the mail. The family will be required to sign an authorization for the information source to release the specified information.

Third party verification forms will not be hand carried by the family under any circumstances. Verifications received from third-parties electronically or via a facsimile machine are considered third-party written verifications.

The HA will not accept verifications delivered by the family except computerized printouts from the following agencies:

- **Social Security Administration**
- **Veterans Administration**
- **Welfare Assistance**
- **Unemployment Compensation Board**
- **City or County Courts**

### **Third-Party Oral Verification:**

Oral third-party verification may be used when written third-party verification is difficult to obtain, delayed or not possible. When third-party oral verification is used, staff completes a "Certification of Document Viewed or Person Contacted" form, noting with whom they spoke, the date of the conversation, and the facts provided. The HA compares the information to any documents provided by the Family. If obtained by telephone, the HA must originate the call or otherwise verify the identity of the source.

### **Review of Documents:**

In the event that third-party written or oral verification is not possible or the information is not returned within the time limit, the HA notes the file accordingly and utilizes documents provided by the family as the primary source if the HA is reasonably certain the documents provide accurate and complete information.

All such documents, excluding government checks, are photocopied and retained in the applicant file. Where "review of documents" occurs and the documents cannot be photocopied, staff viewing the document(s) completes a "Certification of Document Viewed or Person Contacted" form.

If third-party verification is received after documents are used as the primary source, and there is a discrepancy, the HA determines which is accurate.

If the HA is not reasonably certain the documents provide accurate and complete information, the HA may extend the time limits for third-party documents to be returned before relying on the documents.

The HA does not generally accept copies of documents.

### **Certification/Self-Declaration:**

When verification cannot be made by third-party verification or review of documents, families are required to submit a certification/self-declaration.

Self-certification means a notarized statement or affidavit or a witnessed certification or statement made under a penalty of perjury.

A family may not self-certify any factor that can be verified in other ways.

## **B. RELEASE OF INFORMATION**

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

Each member requested to consent to the release of information will be provided with a copy of the appropriate forms for their review and signature.

Because it is a family obligation to supply any information requested by the HA or HUD, family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance.

## **C. COMPUTER VERIFICATION**

Where allowed by HUD and/or other State or local agencies, computer matching is done.

## **D. ITEMS TO BE VERIFIED**

- All income not specifically excluded by the regulations.
- Zero-income status of household.
- Full-time student status including High School students who are 18 or over.
- Current assets including assets disposed of for less than fair market value in preceding two years.
- Child care expense where it allows an adult family member to be employed or to further his or her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Credit history of adult members of the family for the purpose of substantiating suspected fraud, unreported income into the household and when families are reporting \$0.00.
- Criminal history of adult members of the family for the purpose of detecting illegal drug or violent criminal activities.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus which allows an adult family member to be employed.
- Identity of all family members.

- U.S. citizenship/eligible immigrant status.
- Social Security Numbers for all family members six years of age or older.
- “Preference” status, based upon Ranking, or Local preferences.
- Familial/Marital status when needed for head or spouse definition.
- Disability for determination of preferences, allowances or deductions.
- Department of Motor Vehicles (DMV) registration information.

## **E. VERIFICATION OF INCOME**

This section defines the methods the HA will use to verify various types of income.

### **Employment Income:**

The HA attempts to verify:

- Dates of employment
- Amount and frequency of pay
- Date of the last pay increase
- Likelihood of change in employment status and effective date of any known increase during the next 12 months
- The year to date earnings
- Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable forms of verification include (in this order):

- Employment verification form completed by the employer.
- Check stubs or earning statements showing employees’ gross earnings per pay period and frequency of pay or year-to-date earnings.
- W-2 forms plus income tax forms.
- Certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from gratuities.

Applicants and participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income, or to provide their most recent federal income tax statements. Information is also obtained from the State Employment Development Department and credit reporting bureaus.

### **Social Security, Pensions, Supplementary Security Income (SSI), Disability Income:**

- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.
- Computer-generated document from the agency.
- Bank statements for direct deposits.

## **Unemployment Compensation:**

Acceptable methods of verification include, in this order

- Verification form completed by the unemployment compensation agency.
- Computer-generated document from unemployment office stating payment dates and amounts.
- Payment stubs.

## **Welfare Payments or General Assistance**

Acceptable methods of verification include, in this order:

- Welfare or social services agencies' written verification of type and amount of assistance the family receives, and changes in assistance expected during the next 12 months.
- Computer-generated Notice of Action.
- Oral verification from DPSS staff (for an update of information).

## **Alimony or Child Support Payments:**

Acceptable methods of verification include, in this order:

- Copy of separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- Notarized letter from the person paying the support.
- Latest check and/or payment stubs from Court Trustee.
- Family's certification/self-declaration of the amount received and of the likelihood of support payments being received in the future.

If payments are irregular, the family must provide:

- A statement from the agency responsible for enforcing payments indicating that the family has requested payments.
- Verification of sporadic and year-to-date payments from Court Trustee.
- DPSS Notices of Action showing amounts received in at least the six prior months.

## **Net Income from a Business:**

In order to verify the net income from a business, the HA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

- IRS Form 1040, including:
  - Schedule C (Small Business)
  - Schedule E (Rental Property Income)
  - Schedule F (Farm Income)
- If accelerated depreciation was used on the tax return or financial statement, the depreciation must be recalculated using straight-line depreciation.
- Audited or unaudited financial statement(s) of the business.
- Loan Application showing income derived from the business during the previous 12 months.



- Documents such as manifests, appointment books, cash books, bank statements, or receipts for the prior six months (or lesser period if not available for six months).
- Family's certification as to net income realized from the business during previous years.

### **Child Care or Other Home-Based Business:**

If an applicant/participant is operating a licensed day care business, income is verified as with any other business.

However, if the applicant/participant is operating a "cash and carry" operation (whether licensed or not), the HA requires that the applicant/participant complete a form that includes:

- Name, telephone number and signature of the person whose child is being cared for;
- Number of hours the child is being cared for;
- Method of payment (e.g., check or cash); and
- Amounts paid.

If the family has filed a tax return, they are required to provide it. Similar requirements apply to other home-based businesses.

If child care services were terminated, a third-party verification will be sent to the parent whose child was cared for.

### **Recurring Contributions or Gifts:**

The family must furnish a self-certification which contains the following information:

- Family's certification/self-declaration of the purpose, dates and value of the gift.
- Certification/self-declaration signed by the person providing the assistance of the purpose, dates and value of gifts.

### **Zero Income Status:**

Families claiming to have no income are required to execute verification forms to determine that forms of income such as unemployment benefits, AFDC, SSI, etc. are not being received by the household. The HA also obtains a credit report and requests information from the State Employment Development Department.

### **Full-time Student Status:**

Only the first \$480 per year of the earned income of full time students, other than head or spouse, will be counted toward family income.

Financial aid, scholarships and grants received by full time students are not counted toward family income.

Verification of full-time student status includes:

- Written verification from the registrar's office or other school official.

- School records indicating enrollment for a sufficient number of credits to be considered a full-time student by the school.

## **Credit History**

The HA may obtain a Credit History Report on any adult applicant or adult Section 8 participant. All adult applicants are required to sign the Credit History Report authorization form during the intake process. All adult participants are required to sign the Credit History Report authorization form during the initial intake process or the recertification process.

A good or bad credit history is not used by the Housing Authority to determine program eligibility. The HA does screen for factors which relate to the suitability of the applicant family as tenants. It is the responsibility of the owner to screen the applicants as to their suitability for tenancy. However, credit report information is obtained by the HA when:

1. The HA receives a report of fraud, program abuse, or unauthorized persons residing in the assisted unit.
2. A family has expenses that are not consistent with the amount of income they are reporting to the HA.
3. A family is reporting \$ 0.00 income.

If denial or termination of assistance is based in part on information obtained from the Credit History Report, the family will be given a written notice of the name, address and telephone number of the reporting agency.

Failure to sign the Credit History Report authorization form will be considered a violation of the family obligations and a notice to terminate eligibility of the participant or applicant will be issued.

## **F. INCOME FROM ASSETS**

Acceptable methods of verification include, in descending order:

### **Savings Account Interest Income and Dividends:**

Verified by:

- Account statements, passbooks, certificates of deposit, etc.
- Brokers' statements showing value of stocks or bonds and the earnings credited the family. Earnings may be obtained from current newspaper quotations or oral brokers' verification.
- IRS Form 1099 from the financial institution adjusted to project earnings for the next 12 months.

## **Interest Income from Mortgages or Similar Arrangements:**

Verified by:

- A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for the next 12 months. (A copy of the check paid by the buyer to the family must show a breakdown of interest and principal.)
- Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

## **Net Income from Property Owned by Family:**

Verified by:

- IRS Form 1040 with Schedule E (Rental Income).
- Latest rent receipts, leases, or other documentation of rent amounts.
- Documentation of operating expenses of the property, such as tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
- Lessees' written statement verifying monthly rent due to the family and the family's certification/self-declaration regarding rent received.

## **G. VERIFICATION OF ASSETS**

### **Family Assets Now Held:**

The HA will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset were converted to cash).

In descending order:

1. Verification forms, letters, or documents from a financial institution, a broker, etc.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing documents showing the selling price and the distribution of the sales proceeds.
7. Appraisals of personal property held as an investment.
8. Family's certification/self-declaration describing assets or cash held at the family's home or in safe deposit boxes.

### **Assets Disposed of for Less than Fair Market Value:**

(During two years preceding the effective date of certification or recertification.)

1. For all certifications and recertifications, the HA obtains the family's certification of whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.
2. If the family certifies that they did dispose of assets for less than fair market value, a certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Independent verification is obtained wherever possible.

## **H. VERIFICATION OF DEDUCTIONS**

### **Child Care Expenses:**

1. Written verification from the person who receives the payments. If the child care provider is an individual, s/he must provide a statement of the amount they are charging the family for their services.
2. Verifications must specify the child care provider's name, address, telephone number, Social Security Number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
3. Family's certification of whether any of the payments have been or will be paid or reimbursed by outside sources.

### **Medical Expenses:**

Families who claim medical expenses or expenses to assist a person(s) with disability in the household will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. All expense claims will be verified by one or more of the methods listed below:

1. Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, etc., of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.
2. The insurance company's or employer's written confirmation of health insurance premiums to be paid by the family.
3. Social Security Administration's confirmation of Medicare premiums to be paid by the family over the next 12 months. A computer-generated document is acceptable.
4. For attendant care:
  - a. Doctor's certification that the assistance of an attendant is medically necessary and number of hours the care is needed.
  - b. Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or canceled checks the family used to make those payments) or stubs from the agency providing service.

5. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
6. Payment agreements or most recent invoices from medical facilities that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
7. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. HA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous year.
8. Mileage at the IRS rate, or cab, bus fare, or other public transportation cost for estimating the cost of transportation related to medical treatment.

### **Assistance to Persons with Disabilities:**

#### **(1) In All Cases:**

- a. Written certification from a doctor or a rehabilitation agency that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.
- b. Family's certification of whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

#### **(2) Attendant Care:**

- a. Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.
- b. Certification of family and attendant and/or copies of canceled checks family used to make payments

#### **(3) Auxiliary Apparatus:**

- a. Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.
- b. If the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

### **I. VERIFYING NON-FINANCIAL FACTORS**

#### **Proof of legal Identity:**

In order to prevent program abuse, the HA will require applicants to furnish verification of legal identity for all family members. All adult family members must provide a valid picture ID issued by a governmental entity or employment.

The documents listed below are considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required

- Certificate of Birth, naturalization papers
- Church-issued baptismal certificate
- Driver's license
- U.S. military discharge
- U.S. Passport
- Voter's registration
- Company/agency Identification Card
- Department of Motor Vehicles Identification Card
- Hospital records

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth
- Adoption papers
- Custody agreement
- Health and Human Services ID
- School records

If none of these documents can be provided, a third-party who knows the person may provide a verification at the HA's discretion.

### **Family Composition:**

The HA verifies family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources.

**Verification of Divorce:** The divorce decree, signed by a Court Officer.

**Verification of Separation:** The court-ordered maintenance or other records.

### **Verification of Guardianship:**

- Court-ordered assignment
- Verification from social services agency
- School records
- Certification/self-declaration of parent

### **Verification of a Stable Family Relationship can be supported by:**

- Joint bank account or shared financial transactions
- Leases or other evidence of cohabitation
- Credit reports

### **Criminal History**

A criminal history report will be obtained by the HA for all adult family members entering the program from the waiting list and additions to the existing subsidized family for the purpose of detecting crimes related to illegal drug or violent criminal activities.

## **Department of Motor Vehicles (DMV) Information**

The HA may obtain vehicle registration information from the DMV when the HA receives a report of fraud, program abuse, or unauthorized persons residing in the assisted unit.

### **Verification of Permanent Absence of Adult Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, the HA may consider any of the following as verification:

- Husband or wife institutes divorce action.
- Husband or wife institutes legal separation.
- Order of protection/restraining order obtained by one spouse against the other.
- Proof of another home address, such as utility bills, canceled checks for rent, drivers license, or rental agreement.
- Statements from other agencies such as social services.
- Statement from the landlord or manager that the adult family member is no longer living in the unit.
- If no other proof can be provided, the HA may accept a certification from the family.

**Verification of Incarceration:** Document from the Court or prison stating length of incarceration or police reports or newspaper articles.

**Verification of Single Pregnant Woman Status:** Written statement from a medical source.

**Verification of Need for a Live-In Attendant:** Verification from a medical source or a social service agency familiar with the needs of the individual that the attendant is "essential to the care and well being of the elderly or disabled family member." The source must provide precise information as to the services and time required (24 hours) by the individual from the live-in attendant. Payment to the attendant by IHSS is prima facie evidence of the need.

### **Verification of Disability:**

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

## **Verification of Citizenship/Eligible Immigrant Status**

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories

specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the HA hearing is pending.

- a. **Citizens or Nationals of the United States** are required to sign a declaration under penalty of perjury.
- b. **Eligible Immigrants who were Participants and 62 or over on June 19, 1995**, are required to sign a declaration of eligible immigration status and provide proof of age.
- c. **Non-citizens with eligible immigration status** must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. The HA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the HA must request within ten days that the INS conduct a manual search.
- d. Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.
- e. **Non-citizen students on student visas** are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

**Failure to Provide.** If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

**Time of Verification.** For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination. For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial HA does not supply the documents, the HA must conduct the determination.

**Extensions of Time to Provide Documents.** Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. The HA will generally allow up to 30 days to provide the document or a receipt issued by the INS for issuance of replacement documents.

**Acceptable Documents of Eligible Immigration.** The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)



- Receipt issued by the INS for issuance of replacement of any of the above documents which shows that the individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

### **Verification of Social Security Numbers:**

Verification of Social Security number is the Social Security Card issued by the Social Security Administration. If a family member cannot produce his or her Social Security Card, the documents listed below showing his or her Social Security Number may be used for verification together with the individual's certification that the substitute information provided is complete and accurate:

- Identification card issued by a federal, State or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medi-Cal)
- Benefit award letters from government agencies
- Retirement benefit letter
- Verification of benefits or Social Security Number from the Social Security Administration

New family members age six and older are required to provide their Social Security Card or the substitute documentation described above. This information is provided at the time the addition to the family is reported to the HA.

If an applicant or participant is able to disclose their Social Security Number but cannot meet the documentation requirements, s/he must sign a certification to that effect. The individual has an additional 60 days to provide proof of the Social Security Number. If the documentation is not provided, the family's assistance is terminated.

In the case of an individual at least 62 years of age, the HA may grant an extension for an additional 60 days (total 120 days).

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

### **Medical Need for Larger Unit**

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable professional.

## **J. WAITING LIST PREFERENCES [24 CFR 982.208, 982.210-982.213]**

### **Federal Preferences**

Effective April 1996, the Housing Authority does not require applicants to qualify for a Federal Preference in order to be eligible for the Section 8 Program.

### **Ranking Preferences:**

- Residency:** For families who live in the jurisdiction of the HA. Applicants who are working or have been notified that they have been hired to work in the jurisdiction of the HA shall be treated as residents of the jurisdiction.

Residency is verified in descending order through:

- (1) Rent receipts and leases;
  - (2) Utility bills, employer or agency records; and
  - (3) School records, driver's licenses, or voter's registration records.
- b. Military Veterans' Preference: This preference is available to current member of the U.S. Military Armed Forces, veterans, or surviving spouse of veterans.

The HA will require U.S. government documents which indicate that the applicant qualifies under the above definition.

## **CHAPTER 8**

### **CERTIFICATE/VOUCHER ISSUANCE AND BRIEFINGS**

#### **INTRODUCTION**

The HA's objectives are to assure that families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements. When families have been determined to be eligible, the HA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, HA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for handling changes in the family composition.

#### **A. ISSUANCE OF CERTIFICATES/VOUCHERS**

[24 CFR 982.204 (d), 982.54 (d)(2)]

When funding is available, the HA will issue Certificates and Vouchers to applicants whose eligibility has been determined. The issuance of Certificates and Vouchers must be within the dollar limitations set by the annual contribution contract budget.

The number of Certificates and Vouchers issued must ensure that the HA stays as close as possible to 100% lease-up. The HA performs a monthly calculation electronically to determine whether applications can be processed, the number of Certificates and Vouchers that can be issued, and to what extent the HA can over-issue (issue more Certificates or Vouchers than the quantity allocated).

The HA may over-issue Certificates or Vouchers only to the extent necessary to meet leasing goals. All Certificates and Vouchers which are over-issued must be honored. If the HA finds it is over-leased, it must adjust future issuance of Certificates or Vouchers in order not to exceed the annual contribution contract budget limitations over the fiscal year.

#### **B. BRIEFING TYPES AND REQUIRED ATTENDANCE**

[24 CFR 982.301]

## **Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups or individual meetings. Families who attend group briefings and still have the need for individual assistance will be referred to their Intake specialist.

Briefings for the Certificate Program and the Voucher Program will be held separately. Briefings will be conducted in English. The HA can provide translation services in Spanish, Khmer, Vietnamese and American Sign Language. Families are also encouraged to bring a translator to the briefing.

The purpose of the briefing is to explain the documents in the Certificate/Voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage. It will also prepare them to discuss it with potential owners and property managers with a greater understanding.

The HA will not issue a Certificate or Voucher to a family unless the household representative has attended a briefing and signed the Certificate or Voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two scheduled briefings without prior notification and approval of the HA may be denied admission based on failure to supply information needed for certification. The HA will conduct individual briefings for families with disabilities at their homes, upon request by the family, if required for reasonable accommodation.

## **Briefing Packet**

The documents and information provided in the briefing packets for both the Certificate and Voucher programs will comply with all HUD requirements. The briefing packet also includes other information and/or materials which are not required by HUD.

The family is provided with the following information and materials:

1. The term of the certificate or voucher, and the HA policy for requesting extensions to the term of the certificate or voucher or suspensions of the certificate/voucher.
2. A description of the method used to calculate the assistance payment, information on Fair Market Rents (Certificate Program), payment standards (Voucher Program), and utility allowances.
3. An explanation about how the maximum allowable rent is determined.
4. Guidance and materials to assist the family in selecting a unit, such as proximity to employment, public transportation, schools, shopping, and the accessibility of services. Guidance will also be provided to assist the family to evaluate the prospective unit, such as the condition, whether the rent is reasonable, average utility expense, energy efficiency, and security.
5. The boundaries of the geographical area in which the family may lease a unit including an explanation of portability.
6. The HUD lease addendum.

7. The Request for Lease Approval form and a description of the procedure for requesting approval for a unit.
8. The HA policy on providing information about families to prospective owners.
9. The Subsidy Standards, when and how exceptions are made and how the Certificate or Voucher size relates to the unit size selected.
10. The HUD brochure, "A Good Place to Live" on how to select a unit that applies with HQS.
11. The HUD brochure on lead-based paint.
12. Information on federal, State and local equal opportunity laws including the pamphlet "Fair Housing: It's Your Right" and the form for reporting suspected discrimination.
13. A list of known units available for the size Certificate or Voucher issued (the list is available at Receptionist Desk).
14. If the family includes a person with disabilities, notice that the HA will provide a list of available accessible units known to the HA.
15. The Family Obligations under the program.
16. The grounds for termination of assistance because of family action or failure to act.
17. When the HA is required to offer an informal hearing, how to request a hearing, and the hearing procedures.
18. An HQS checklist (pre-inspection checklist).
19. Procedures for notifying the HA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.
20. A family handbook including the family's rights as a tenant and a program Participant.
21. Requirements for reporting changes between certifications.
22. Information on security deposits and legal referral services.

### **Other Information to be Provided at the Briefing**

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and the HA, and the HA and the owner.

The briefing presentation emphasizes:

1. Family and owner responsibilities

2. Where a family may lease a unit inside and outside its jurisdiction
3. How portability works for families eligible to exercise portability
4. Advantages to moving to area with low concentration of poor families if family is living in a high poverty census tract in the HA's jurisdiction
5. Exercising choice in residency
6. Choosing a unit carefully and only after due consideration.
7. Information on the Family Self Sufficiency program and its advantages.

If the family includes a person with disabilities, the HA will ensure compliance with CFR 8.6 to ensure effective communication.

### **Move Briefing**

A move briefing will be held for participants who will be reissued Certificates or Vouchers to move, who have been re-certified within the last 120 days, and have given notice of intent to vacate to their landlord. This briefing includes incoming and outgoing portable families. The move briefing includes information on minimizing claims for damages which may be made against the security deposit (formerly included in "Smart Move Briefing").

Families failing to attend two scheduled move briefings will be denied a new Certificate/Voucher based on failure to provide required information.

### **Owner Briefing**

Briefings are held for new owners to the program once a quarter. All new owners receive an invitation and current owners are notified through the monthly newsletter.

Prospective owners are also welcome. The purpose of the briefing is to inform owners of program rules and regulations.

## **C. ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION**

At the briefing, families are encouraged to search for housing in non-impacted areas and the HA will provide assistance to families who wish to do so.

The assistance provided to such families includes:

1. Direct contact with landlords.
2. Counseling with the family.
3. Meeting with neighborhood groups to promote understanding.

#### 4. Formal or informal discussions with landlord groups

The Housing Authority will maintain lists of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure greater mobility and housing choice to very low income households. The lists of units will be provided at the front desk/mailed on request and provided at briefings.

### **D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION**

#### **Fair Housing Laws**

The HA provides the family with a complaint form to report suspected discrimination during their housing search. The HA also provides the location of the local Fair Housing office. If HUD's Fair Housing and Equal Opportunity Office makes a finding of discrimination against an owner, the HA will restrict the owner from future participation.

### **E. RESTRICTIONS ON LEASING TO RELATIVES**

The HA may not approve a unit for lease if the owner is the parent, child, grandparent, grandchild, sister, or brother of the Section 8 voucher or certificate holder who is seeking to rent the unit. The HA, however, may continue to approve units for lease if the HA determines that approving the unit would provide reasonable accommodations for a family member who is a person with a disability.

For the purposes of this regulation, "elderly persons" are not automatically included unless that person fits the criteria of a "person with disabilities." The term "person with disabilities" for purposes of reasonable accommodation and program accessibility, means "individual with handicaps" as defined in 24 CFR 8.3. Per that definition, "individual with handicaps" means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. As used in this definition, the phrase:

(a) Physical or mental impairment includes:

- (1) Any physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or
- (2) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

Under this definition, "owner" includes a principal or other interested party.

### **F. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]**

### **Leases Effective Prior to October 2, 1995**

The amount of Security Deposit which could have been collected by owners under contracts effective prior to October 2, 1995 is:

Under the Certificate Program, the owner could have collected a Security Deposit in an amount not to exceed Total Tenant Payment or \$50.00, whichever is greater, for non-lease-in-place families (families not living in the unit prior to the issuance of the Certificate or Voucher).

For the Voucher Program, the owner, at his/her discretion, could have collected a Security Deposit in an amount not to exceed:

The amount charged to unassisted tenants, not to exceed the maximum allowed under state or local law.

### **Leases Effective on or after October 2, 1995**

Security deposits charged by owners may not exceed those charged to unassisted tenants (nor the maximum prescribed by State or local law.)

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

### **G. TERM OF CERTIFICATE/VOUCHER [24 CFR 982.303, 982.54(d)(11)]**

The Certificate or Voucher is valid for a period of 120 calendar days from the date of issuance, the maximum time allowed by HUD for families to search for assisted housing..

During the briefing session, each household will be issued a Certificate or Voucher which represents a contractual agreement between the HA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

### **Expiration**

The family must submit a Request for Lease Approval and Lease within the 120-day period. If the Certificate or Voucher has expired, the family will be denied assistance. The family may request a review or hearing regarding this determination.

If the family is currently assisted when the Certificate or Voucher expires and the unit continues to be eligible for assistance, and the owner is willing, the family may remain as a participant in the assisted unit.

## **Extensions**

Extensions may be granted to accommodate families with disabilities or serious illness. Extensions may be granted in 30-day increments to no more than 180 day, excluding tolling time. Extensions beyond 180 days may be granted by the Housing Authority Bureau Manager or designee to accommodate families with disabilities or serious illness. Extensions beyond 180 days will require recertification for eligibility.

### **Suspensions**

When a Request for Lease Approval is received, the HA will deduct the number of days required to process the request from the 120-day term of the certificate/voucher (tolling).

## **Assistance to Certificate/Voucher Holders**

Families who require additional assistance during their search may call their caseworker to request assistance. Certificate and Voucher holders will be notified at their briefing session that the HA periodically updates the listing of available units and how the updated list may be obtained.

The HA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

### **H. INTERCHANGE BETWEEN CERTIFICATE AND VOUCHER** [24 CFR 982.205 (c)(2)]

The Family may request a change in the form of assistance from Certificate to Voucher, or from Voucher to Certificate, either during the initial search period and/or while occupying a unit under Lease and Contract.

If the Family asks to change the form of assistance, the HA will determine if the requested form of assistance is available and will notify the Family within 10 business days. If the HA denies the family's request, an informal hearing will not be offered.

A transfer list for interchange requests will be maintained as needed when funding is not available.

During each search period or move process, the family may only change the form of assistance issued one time. The 120-day requirement will be suspended during this administrative process.

In the case of a family not yet under contract, the HA will issue the new form of assistance for the time remaining on the current Certificate or Voucher.

The family will be permitted to change the form of assistance in place.

The Family will be required to attend a briefing for the new form of assistance and, if changing in place, a new lease and contract will be executed.

### **I. CERTIFICATE/VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS** [24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the HA shall consider in order the following factors to determine which of the families will continue to be assisted:

1. Which of the two new family units has custody of dependent children.
2. Which family member was the head of household when the Certificate or Voucher was initially issued (listed on the initial application).



3. The composition of the new family units, and which unit contains elderly or disabled members.
4. Whether domestic violence was involved in the breakup.
5. Which family members remain in the unit.
6. Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the HA will terminate assistance on the basis of failure to provide information necessary for a recertification.

Where the breakup of the family also results in a reduction of the size of the Certificate, the family will be required to move to a smaller unit if the current landlord is unwilling to accept the rent level of the smaller sized certificate.

#### **J. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF CERTIFICATE/VOUCHER [24 CFR 812.2-definition]**

To be considered the remaining member of the tenant's family, the person must have been previously approved by the HA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

1. The court has to have awarded emancipated minor status to the minor, or
2. The HA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the Certificate or Voucher size.

#### **K. EARTHQUAKE OR OTHER DISASTER CERTIFICATES OR VOUCHERS**

**Certificates or Vouchers issued to victims of earthquake or other disaster will be administered by the HA under the annual contributions contract for those Certificates or Vouchers.**

#### **L. FAMILIES DISPLACED DUE TO GOVERNMENTAL ACTION**

Families residing within the City of Long Beach who are displaced by government action through no fault of their own are entitled to placement at the top of Section 8 eligibility list. These families must meet all eligibility requirements in order to receive rental assistance.

## **M. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)**

The HOPWA program assists persons with AIDS or who are HIV positive and is administered like the Section 8 program except:

1. In partnership with community based organizations, the HA conducts special outreach to disabled people with AIDS or who are HIV positive.
2. Participants are chosen without regard to the HA waiting list through a separate lottery process to select among eligible applicants.
3. Contracts are executed for a one-year term. At the end of the term, the family is converted to the Section 8 program.
4. If the household splits, the assistance stays with the person who qualified under the HOPWA program. If both new households have qualifying individuals, the Split Household guidelines in this chapter apply (see page 8-8).

## **CHAPTER 9**

### **REQUEST FOR LEASE APPROVAL TO CONTRACT EXECUTION**

#### **A. PROCEDURE**

Following receipt of the Request for Lease Approval and Lease, the HA:

1. Determines the unit is an eligible housing type.
2. Confirms the owner is approvable, and no conflict of interest exist.
3. Reviews the Request for Lease Approval and Lease.
4. Discusses any inconsistencies or omissions with the family and the owner.
5. Schedules an HQS inspection of the unit.
6. Makes a determination of the Reasonable Rent and negotiates the rent with the owner.
7. Reviews the security deposit amount for compliance.
8. Executes the Contract.

#### **B. ELIGIBLE TYPES OF HOUSING**

Once a C/V has been issued, it is the Family's responsibility to locate suitable housing.

The HA approves any of the following types of housing in the Certificate and Voucher programs:

- All Structure types can be utilized.
- Manufactured homes where the tenant leases the mobile home and the pad.
- Manufactured homes where the tenant owns the mobile home and leases the pad (Certificate Program only).
- Independent Group Residences.

Families may lease properties owned by relatives, provided they meet the other program requirements. A

family cannot be subsidized in a unit which they own, except for manufactured homes where they own the mobile home and lease the pad (Certificate Program only), or units in cooperative developments.

C/V holders may not lease a unit which is receiving Project-Based Section 8 assistance or any other duplicative rental subsidies, nor units in institutions, dormitories, or board and care facilities.

### **C. APPROVAL OF OWNER**

The owner does not have a right to participate in the program. The HA can disapprove an owner under certain circumstances as described in Chapter 17.

### **D. REQUEST FOR LEASE APPROVAL**

The Request for Lease Approval (RLA) and a copy of the proposed Lease must be submitted prior to the expiration of the C/V. Only one RLA may be submitted at a time.

The RLA must be signed by both owner and C/V holder.

The HA uses an Owner/Tenant Acknowledgment form which describes the terms of the relationship between owner and tenant prior to receipt of the first HAP check.

The HA reviews the documents to determine whether or not they are approvable. For the Certificate program, the HA determines that the Gross Rent is below the applicable FMR (unless an Exception Rent is approved).

The RLA will be approved if:

1. The unit meets HQS as identified in this Plan.
2. The rent is reasonable.
3. The security deposit amount and other charges are approvable.
4. The proposed Lease complies with HUD and HA requirements.
5. The owner, unit and family continue to be eligible.

If the HA determines that the RLA cannot be approved for any reason, the owner and the family Are notified, the reasons explained, and ways to correct the problem suggested. The owner is generally given five days to make the revisions other than HQS repairs.

If the RLA is disapproved, the family continues to search for eligible housing and may request an extension of the C/V, if necessary.

The C/V is suspended while the RLA is pending.

### **E. LEASE REVIEW**

The HA reviews the Lease, particularly noting the approvability of optional charges and compliance with regulations and law. Responsibility for utilities, appliances and optional services must be the same as that shown on the RLA form.

The HA encourages the owner to use the HA Model Lease which includes the HUD-mandated language. House Rules of the owner may be attached to the Lease as an addendum, provided they are approved by the HA.

The Lease should not be signed prior to HA approval.

## **F. SEPARATE AGREEMENTS**

Side agreements for payments of additional rent, items normally included in the rent of unassisted families, or for items not shown on the approved Lease are prohibited.

Owners and families may execute “separate” agreements for services, appliances (other than range and refrigerator) and other items that are not included in the Lease if the agreement is in writing and approved by the HA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the Lease (such as air conditioning, dishwasher or garage), or are permanently installed in the unit, cannot be put under separate agreement and must be included in the Lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

If the family and owner have a written agreement on a charge for a specific item, provided the charge is reasonable and not a substitute for higher rent, it is allowed.

All agreements for special items or services must be in or attached to the Lease approved by the HA or, if agreed to at a later date, in a separate agreement between the owner and the family that has the HA’s prior approval.

The HA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

## **G. SECURITY DEPOSIT REQUIREMENTS**

### **G.1. Old Rule Leases:**

For the Certificate program, the owner, at his/her discretion, may collect a security deposit in an amount not to exceed Total Tenant Payment or \$50.00, whichever is greater, for non-lease-in-place families. No other charges may be collected without prior approval of the HA.

For the Voucher program, the owner, at his/her discretion, may collect a security deposit in an amount not to exceed the greater of 30% of adjusted monthly income or \$50.00 for non-lease-in-place families.

### **G.2. New Rule Leases:**

“Security deposits” includes all deposits, such as key, cleaning or pet deposits and is limited to two months total rent under State law (or three months for a furnished unit).

Security deposits may not exceed the amount the owner charges unassisted families in similar financial circumstances.

## **H. INITIAL INSPECTIONS**

The purposes of the Initial Inspection are:

- Determine whether the unit and property meet HQS as defined in this Plan.
- Record the condition of the unit for future reference.
- Note information to be used in the rent reasonableness determination.

The HA schedules an inspection of the unit within ten days of receipt of the RLA. The family and owner are notified of the results during the inspection.

## **I. RENT LIMITATIONS**

The Gross Rent for a Certificate program unit may not exceed the Fair Market Rent (FMR) for the unit size on the date of the rent review unless an Exception Rent is justifiable.

An Exception Rent is justifiable when a higher rent is needed due to accessibility for persons with disabilities or because of the location of the unit.

For the Certificate and Voucher programs, the HA determines the reasonableness of the rent the owner is proposing in relation to comparable units available for lease on the private unassisted market in the same area.

The owner is contacted for rent negotiation the next business day after the inspection. In the case of an RLA to move a participant to a different unit of the same size in the same building for medical reasons, the rent for the new unit will not be less than the rent for the old unit unless an exception is made by the supervisor.

## **J. DISAPPROVAL OF PROPOSED RENT**

### **Certificate Program:**

In the Certificate Program, if the Gross Rent is reasonable but exceeds the FMR, the HA may suggest that the owner reduce the Contract Rent or include some of all utilities in Contract Rent.

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If the owner accepts the offer of a revised rent, the HA will continue processing the RLA. If the revised rent involves a change in the provision of utilities, a new RLA must be submitted by the owner.

If the owner is not willing to reduce or adjust the rent and the HS is satisfied that the requested rents meets the test of rent reasonableness and is less than 110% of FMR, and the HA has remaining "Exception Rent" authority, the HA may approve the Exception Rent. If the unit chosen has more bedrooms than the Certificate size, Exception Rent is not an option.

If the rent is reasonable but Exception Rent is not an option, the family may change from a Certificate to a Voucher in order to lease the unit with assistance.

If the owner does not agree on the Contract Rent after the HA has tried and failed to negotiate a revised rent, the HA informs the family and owner that the RLA is disapproved.

### **Voucher Program:**

The HA disapproves the proposed rent if it is not reasonable. If the proposed rent under the Voucher program is reasonable but the tenant's share of the rent is greater than 40% of Adjusted Monthly Income, the Intake Specialist counsels the family and the owner is informed of the potential problem and urged to reduce the rent.

## **K. INFORMATION TO OWNERS**

The owner is responsible for screening prospective tenants for such factors as prior rent paying history, outstanding debts owed to previous owners, history of damage to rental properties, police record, employment, and credit. The HA provides prospective owners with the address of the family and the names and addresses of the current and previous landlord, if known.

The HA may make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

It is the responsibility of the owner to determine the suitability and acceptability of prospective tenant(s). They are encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

The HA provides documented information regarding evictions and unit damages for the past three years to prospective landlords upon written request from the owner after an RLA has been submitted.

Only the Housing Assistance Officer or Intake Supervisor may provide this information. This policy is stated in the Briefing packet and applies uniformly to all families and owners.

## **L. CHANGE IN TTP PRIOR TO HAP EFFECTIVE DATE**

Prior to HAP Contract effective date, if the family reports changes in factors that affect the Total Tenant Payment, the information is verified and the TTP recalculated.

## **M. CONTRACT EXECUTION PROCESS**

After all the above steps have been completed, the Housing Assistance Payment Contract is prepared for execution. The family and the owner execute the Lease agreement, and the owner and the HA execute the HAP Contract.

The HA tries to execute the HAP Contract before the commencement of the Lease term. The HAP Contract may not be executed more than 60 days after commencement of the Lease term and no payments are made before execution.

Owners must provide the current address of their residence (not a Post Office Box). If families lease

properties owned by relatives, the owner's current address is compared to the subsidized unit's address. All owners must provide a business or home telephone number.

Owners must provide an Employer Identification Number or Social Security Number and a Driver's License or other photo identification. Owners must also submit proof of ownership of the property, such as a Grant Deed or Tax Bill, and a copy of the Management Agreement if the property is managed by a management agent.

#### **N. ABORTED RLA'S**

Once an RLA has been processed and approved, and the family has moved into the unit, even if the Contract is not signed, the family may not move out of the unit and continue to be assisted.

In these circumstances, the HA will execute the Contract in the usual way and pay the owner for the period of occupancy. The family will be denied assistance because less than 12 months have passed since they were issued a C/V.

However, if the circumstances are the same but the family has not moved in, the HA will not execute the Contract and the family may be issued new lease papers to resume their search.

If the owner opts out at any time prior to signing the Contract, s/he is not entitled to any payment.

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#### **O. CHANGE IN OWNERSHIP OR OWNER'S ADDRESS**

A change in ownership does not require execution of a new Contract.

The HA processes a change of ownership only on the new owner's written request and only after receiving a copy of the closing escrow statement or other document showing the transfer of title and the Employee Identification Number or Social Security Number of the new owner.

The HA must receive a written request from the owner in order to change the HAP payee or the address to which payment is sent.

#### **P. REVISION TO LEASE**

Whenever the Lease is revised and the revisions affect the terms of the Contract, or a new Lease is executed, a new Contract must be signed unless the change is an adjustment of the rent amounts.

Changes in utility payment responsibility or extra charges for facilities, amenities, or services, that do not affect the total rent approved are treated as "separate agreements" and do not require execution of a new Lease and Contract.

## Chapter 10

### HOUSING QUALITY STANDARDS INSPECTIONS

#### INTRODUCTION

The HA is required to inspect units to ensure that they meet Housing Quality Standards (HQS) before the family can receive rental assistance. No unit is accepted for the Section 8 Program unless these standards are met. Units must also continue to meet the HQS for as long as the family remains in the unit with Section 8 assistance. HQS standards apply to the building and premises, as well as the unit. The reference document for this portion of the Administrative plan is the **Housing Inspection Manual** published by the Department of Housing and Urban Development. Attachment "A" of this plan is the HUD approved inspection booklet, which outlines the criteria inspectors use when inspecting Section 8 units.

The HA has adopted local requirements of acceptability in addition to those mandated by HUD regulations. Local code or health violations which may not fail the HQS inspection will be reported to the Department of Building and Planning or the Health Department for code enforcement. Owners are encouraged to provide housing above minimum standards.

The use of the term "HQS" in this Administrative Plan refers to the combination of both HUD and HA requirements. This Chapter describes the HA's procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of noncompliance with HQS requirements for both families and owners.

#### **A. GUIDELINES/TYPES OF INSPECTIONS** [24 CFR 982.401 (a), 982.405]

There are five types of inspections the HA performs:

1. Initial/Move-In: Conducted upon receipt of Request for Lease Approval
2. **Annual:** Must be conducted within 12 months prior to the anniversary date.



3. **Special/Complaint:** At request of owner, family or an agency or third-party.
4. **Move-Out:** At landlord's request and only if the contract was in effect before 10/2/95.
5. **Quality Control:** Conducted by supervisor of up to 5 percent of each inspector's inspections.

**B. ADDITIONS TO HQS AND ACCEPTABILITY CRITERIA**  
[24 CFR 982.401 (A)]

The HA adheres to the acceptability criteria in the program regulations and the HUD Inspection Booklet with the additions described below.

Ceilings and Walls:

1. On all new leases, all ceilings and walls in need of repair or paint, should be restored to a like-new condition, including patching any holes or cracks, sanding all surfaces to a smooth finish and painting all surfaces to a like smooth finish (excluding natural wood, paneling, wallpaper, etc.)
2. All units must be painted every five years or more frequently if deemed necessary by the Inspector or less frequently if waived by the Inspector.
3. In areas where plaster or drywall is sagging, severely cracked or otherwise damaged, it should be replaced or restored to a like new condition. ~~Whenever~~  
an exterior wall is opened, if it is not insulated, it should be insulated.
4. Any exterior or interior surfaces with peeling, chipping, or defective paint must be scraped and painted. The severity of the peeling or chipping of paint will be taken into consideration (e.g., paint droppings on the ground). ~~b~~
5. All walls in a tub or shower area must be covered with ceramic tile or other material that is impervious to water. Caulking should also be used to prevent water damage and eventual deterioration.

Windows:

1. All window sashes must be in good condition, solid and intact, and fit properly in the window frame. Damaged or deteriorated sashes must be replaced.
2. All broken or cracked glass must be replaced and windows glazed as needed.
3. Windows must be weatherstripped as needed to ensure a watertight seal.
4. All operable windows must have a properly fitting screen in good condition.

5. Every living room and bedroom must have at least one operable window for the purpose of ventilation. A bathroom does not require a window if it is equipped with an approved mechanical ventilation system that works. A kitchen area does not require a window.

#### Doors:

1. All exterior doors must be solid core and weather tight to avoid any air or water infiltration, have no holes, have all trim intact, and have a threshold.
2. All interior doors must have a doorstop, no holes, all trim intact, and be capable of being opened easily without the use of a key or special knowledge.
3. All exit doors must be installed properly and shall be operable from the inside without the use of a key or any special knowledge or effort. Double cylinder deadbolt locks are prohibited.
4. Unit doors (or exterior walls near door) must have properly installed unit numerals or letters for identification purposes.

#### Floors:

1. All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be secured and made level. If they cannot be leveled, they must be replaced.
2. Bathroom and kitchen floor surfaces shall be constructed and maintained so as to be substantially impervious to water and easy to maintain in a clean and sanitary condition.
3. All floors must be in a finished state (no plywood).
4. On new Leases when a tenant has not moved in yet, all floors must be thoroughly cleaned.
5. All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe may be used for kitchens and bathrooms.
6. All floors must be free of lumps, rips, tears, holes and be secured/seamless.

#### Electrical:

1. All rooms require at least two working outlets or one working permanently installed light fixture and one working outlet.
2. All electrical hazards must be eliminated (e.g., no missing or cracked outlet cover plates, exposed wiring).
3. All electricity must be on at time of inspection or inspection will be rated Fail.

#### Stoves:

1. Pilot lights which are present on gas stoves must be in proper working order.
2. Stove must be present and in good working condition with all parts intact and functional.

#### Plumbing:

1. All water leaks must be repaired.
2. All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.
3. All worn or cracked toilet seats and tank lids must be replaced and toilet tank lids must fit properly.

#### Heating:

1. Unit must be provided with heating facilities capable of maintaining a room temperature of 70° F. three feet above the floor in all habitable rooms. Such facilities must be installed and maintained in a safe condition and in accordance with all codes and other applicable laws. Unvented fuel-burning heaters are not permitted. All heating devices or appliances must be of a UL- approved type.
2. All gas heat sources must have fuel shut-off valves.
3. All heater fire boxes and floor furnaces must be kept clean and free of any debris.

#### Water Heaters:

1. All gas water heaters must have a gas shut-off valve.
2. All water heaters must have a cold water shut-off valve.
3. All water heaters must have the correct temperature-pressure relief valve according to the psi needed for the size of the water heater and its discharge line must be copper, galvanized or high-heat PVC and of proper length.
4. To ensure against explosion and fire due to earthquakes, all gas water heaters must be properly secured in accordance with their size as prescribed by code and manufacturer specifications.

#### Interior Stairways and Common Hallways:

1. Handrails are required on sections of four or more steps or more than 30 inches high.
2. Stairwells must be free of hazardous or unsanitary conditions.

#### Egress:

1. Egresses must be free of debris, furniture, bicycles or other obstruction.

2. All fire exits must be kept in good working condition and be clear of all debris.

3. In bedrooms where the window must be used for an emergency exit, at least one window must be operable at the sill and sized for fire exit.

4. If window security bars or security screens are present on an emergency exit window, they must be equipped with a quick release system that does not require prior knowledge of operation. The owner is responsible for ensure that the family is instructed on the use of the quick release system.

#### Infestation:

Any infestation of rodents or vermin (including roaches, ants, water bugs, fleas, bees) in an assisted unit or common use building must be eliminated.

#### Smoke Detectors and fire extinguishers:

1. Each dwelling unit must contain at least one battery-operated or hardwired smoke detector in proper working condition on each level of the unit.

2. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

3. A smoke detector must be installed in each sleeping area and in areas such as hallways that give access to sleeping areas. a

4. Tenants are responsible for replacing batteries for battery powered units. Owners are responsible for instructing tenants on how to properly remove and replace old batteries.

5. Missing, depleted or broken fire extinguishers must be replaced.

#### Bedrooms:

1. A bedroom must have a floor area of not less than seventy (70) square feet.

2. Access to any required exits of a room or suite of rooms designated as bedrooms must be possible without passing through a bathroom or toilet room.

3. Bedrooms must have doors or provide adequate privacy (e.g., loft).

#### Site Conditions:

The property must be reasonably free of serious conditions, which would endanger the health or safety of residents. These could include:

Hazardous or disruptive activity  
Excessive noise  
Drug usage and/or sale  
Nuisance or harassment of the public  
Inadequate property management

Criminal activity (may be verified through police reports)

**Requests for Lease Approval.** A unit is not approved if the building does not meet the above standard.

**Tenant Preference.** The type of neighborhood (e.g., commercial uses, racial or economic mix) in which a tenant wishes to live is the tenant's determination.

### **C. GENERAL POLICY FOR INSPECTIONS**

HQS deficiencies which cause a unit to fail must be corrected by the landlord unless it is a fail for which the tenant is responsible. The family is only responsible for breaches of HQS which are caused by:

Nonpayment of utilities paid by the family;  
Not providing, or failing to maintain, appliances not provided by the owner, and  
Damages to the unit or premises caused by a household member or guest beyond normal wear and tear.

The family must allow the HA to inspect the unit at reasonable times with reasonable notice. [24 CFR 982.51 (d)]

Inspections will be conducted on business days unless families and landlords are otherwise notified.

Reasonable hours to conduct an inspection are between 8:30 a.m. and 4:30 p.m.

The HA will notify the family in writing at least 10 days prior to the inspection.

**Inspection:** The family and owner are notified of the date and time of the inspection appointment by mail. If the family is unable to be present, they must reschedule the appointment.

**Missed appointments:** If the family misses three inspection appointments (or a combination including office appointments), the HA will consider the family to have violated a Family Obligation and their assistance will be terminated in accordance with the termination procedures in the Plan.

**Reinspection:** The family and owner are mailed a notice of the inspection appointment. If the family is not at home for the reinspection appointment, a card will be left at the unit notifying the family of the missed appointment and the need to call to reschedule the appointment. Failure by the family to keep a reinspection appointment may result in the termination of eligibility for the Section 8 Program.

**Heating:** All units must provide adequate heat to assure a healthy living environment. During the move-in inspection the heating element must be tested to assure that it works properly. Tenants will not be required to turn-on the pilot light for the heating element during annual inspections conducted between April 1 and August 31.

### **Time Standards for Repairs:**

1. Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification.
2. For non-emergency items, repairs must be made within 30 days or the time allowed by the HA.

3. For major repairs, the Property Management Supervisor may approve an extension beyond 30 days.

**D. EMERGENCY REPAIR ITEMS [24 CFR 982.401 (a)]**

The items listed below are considered to be emergency repairs and must be corrected within 24 hours of notice by the inspector. If the repairs are determined by the Inspector to be the landlord's responsibility, failure to correct within 24 hours will result in abatement of payments and termination of the HAP contract.

If the repairs are determined by the Inspector to be the responsibility of the tenant (beyond normal wear and tear, and caused by a family member or guest), failure to correct within 24 hours will result in termination of assistance to the family and the HAP contract.

**Lack of security for the unit.**

**Waterlogged ceilings in imminent danger of falling.**

**Major plumbing leaks or flooding.**

**Natural gas leaks or fumes.**

**Electrical problems which could result in shock or fire.**

**No heat when outside temperature is below 60° F.**

**Utilities not in service.**

**No running hot water or contaminated water supply as determined by the Health or Water Department.**

**Broken glass where someone could be injured.**

**An obstacle of a permanent nature which prevents tenant's entrance or exit.**

**Lack of functioning toilet (when only one toilet is present).**

**Lack of operable stove or refrigerator.**

The HA may give a short extension (not more than 48 additional hours) whenever the responsible party cannot be notified or it is impossible to effect the repair within the 24-hour period.

In those cases where there is leaking gas or potential of fire or other threat to public safety, and the responsible party cannot be notified or it is impossible to effect the repair, proper authorities will be notified by the HA.

**E. DETERMINATION OF RESPONSIBILITY [24 CAR 982.404, 982.54(d)(14)]**

Certain deficiencies are considered the responsibility of the family:

Tenant-paid utilities not in service.

Failure to provide or maintain family-supplied appliances

Damage to the unit or premises caused by a household member or guest beyond normal wear and tear

**"Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under State law or court practice. Such damage exceeds the wear and tear that would typically be caused by a family of the same size over the time period of occupancy given the quality and durability of the unit and its furnishings and fixtures.**

The owner is responsible for all other HQS violations.

The owner is responsible for eliminating vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. The HA may terminate the family's assistance on that basis.

Deficiencies that are generally the owner's responsibility:

- Peeling paint
- Water heater
- Roof
- Central heating and cooling

The inspector will make a determination of owner or family responsibility to correct deficiencies during the first inspection. If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs.

#### **F. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)**

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by the HA, the assistance payment to the owner will be abated.

##### **Abatement**

If a unit fails inspection, required repairs must be made within 30 days. If the deficiencies are the responsibility of the owner, failure to correct deficiencies within the 30-day period will result in the abatement of Housing Assistance Payments. The contract will then be terminated on the last day of the following month if corrections are not made by that time.

The HA will inspect abated units within three days of the owner's notification that the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection. In some cases, if the owner can document that the work was completed on an earlier date, the Supervisor may authorize resumption of payment on that date. Landlords must notify tenants of the date and time of the reinspection.

Generally, no retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The tenant is not responsible for compensating the landlord for any abated rent.

The abatement period shall not normally exceed 30 days and no payments shall be made to the landlord for any rent during the abatement period or any extension thereof.

##### **Exceptions to Abatement**

If there is tenant damage and owner responsible items and the owner opts not to make the repairs for which s/he is responsible because of a pending eviction or notice of intent to vacate issued prior to the commencement of abatement and there is reason to believe that the tenant will cause further damage, the HA may reinstate the abated assistance.

## **Termination of Contract**

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period (generally 30 days), the owner will be sent a HAP Contract Termination notice.

If repairs are completed before the effective termination date, the termination may be rescinded by the HA if the tenant chooses to remain in the unit.

After the termination has occurred, if the owner and tenant agree that the tenant may remain in the unit, a new Request for Lease Approval and Lease must be submitted to the HA and an initial inspection performed.

### **G. CONSEQUENCES IF FAMILY IS RESPONSIBLE (NON-EMERGENCY ITEMS)**

If non-emergency violations of HQS are determined to be the responsibility of the family, the HA will require the family make any repair(s) or corrections within 30 days. If the repair(s) or correction(s) is (are) not made in this time period, the HA will terminate assistance to the family. Extensions in these cases must be approved by the Property Management Supervisor or the Housing Assistance Officer. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant fails to make repairs which the Inspector determines are the tenant's responsibility, assistance to the family will be terminated.

### **H. INITIAL/MOVE-IN HQS INSPECTION**

The Initial/Move-in inspection will be conducted to:

Determine if the unit and property meet the HQS defined in this Plan.

Document the current condition of the unit as a basis to evaluate whether the future condition of the unit exceeds normal wear and tear.

Document the information to be used for determination of rent-reasonableness.

If the unit fails the initial/move-in inspection, the unit will not be approved and no payment will be made by the Housing Authority until repairs are made. The tenant or the landlord shall inform the HA when the unit is ready for reinspection.

On an initial/move-in inspection, the owner will be given up to 30 days to correct the items noted as fail. After that time the owner will receive a lease disapproval notice. Additional time may be granted at the family's and HA discretion, depending on the amount and complexity of work to be done.

The owner will be allowed up to two reinspections for repair work to be completed. If the time period given by the Inspector to correct the repairs has elapsed, or the maximum number of failed reinspections has occurred, the family must select another unit.

If the stove or refrigerator is supplied by the family, and the appliance is not present at the move-in inspection, the HA will allow the stove or refrigerator to be placed in the unit after the inspection if the family certifies the appliances are working according to the Housing Quality Standards. The HA will inspect those appliances on an annual basis.

### **I. ANNUAL HQS INSPECTION**



The Housing Authority begins the annual inspection process 120 days in advance of the anniversary date. Landlords and tenants receive a letter notifying them of the annual inspection no less than 10 days prior to the inspection date.

If the unit fails the annual inspection, the Landlord and Tenant receive a Failed Annual Inspection notice. A copy of the inspection booklet annotating the failed items is enclosed with the notice. The notice indicates the date that the Housing Assistance Payments (HAP) will be stopped if all repairs are not completed and the unit passes inspection.

The Housing Authority automatically schedules a reinspection of units that fail the annual inspection. The reinspection occurs approximately 30 days from the date the unit failed inspection. If the unit fails the reinspection, the landlord and tenant again receive a failed inspection notice and a copy of the inspection booklet annotating the failed items. The notice again indicates the date that the HAP will be stopped if the unit has not passed inspection.

It now becomes the landlord's and/or tenant's responsibility to notify the Inspections Clerk to schedule a reinspection of the unit when all repairs are completed.

### Rent Increases

Contract rent increases in the Certificate program may not be approved if the unit is in a failed condition. Additionally, rent increases on the Certificate Program are governed by the Annual Adjustment Factor (AAF) published by HUD and rent reasonableness determinations.

Contract rent increases in the Voucher program may not be approved if the unit is in a failed condition. While the AAF does not apply to the Voucher Program, the increased rent must be determined to be reasonable by the Housing Authority.

## **J. SPECIAL/COMPLAINT INSPECTIONS**

If at any time the family or owner complains that the unit does not meet HQS, the HA will conduct an inspection. The HA may also conduct a special inspection based on information from third-parties such as neighbors or public officials.

Staff is required to inspect only the items reported, but if the Inspector notices additional deficiencies that cause the unit to fail HQS, s/he must require the owner to repair these deficiencies as well.

If the anniversary date is within 120 days of a special inspection, the special inspection is categorized as annual and all annual procedures will be followed.

## **K. QUALITY CONTROL INSPECTIONS**

The purpose of a Quality Control Inspections is to ensure that the Inspector is noting all deficiencies and not including unnecessary items. The inspection also promotes consistency among the inspection staff. Five percent of each inspector's inspections will undergo a quality control inspection.

If the Quality Control Inspection reveals that an Inspector is not performing inspections properly, the Inspector is counseled and receives remedial training from the Supervisor.

## **L. DISAPPROVAL OF OWNER**

The Housing Authority requires mandatory denial of owners who are subject to federal sanctions, or who have been determined to be in violation of the Fair Housing Act or other federal equal opportunity requirements. The Housing Authority may deny owners' participation in the Section 8 program in the following instances:

1. the owner has not paid certain taxes;
2. has committed fraud, bribery or any corrupt or criminal act in connection with a federal housing program;
3. the owner has engaged in drug trafficking or;
4. the owner has a "history or practice" of violating HQS or applicable housing standards under federal housing programs.

## **Chapter 11**

### **OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS**

#### **INTRODUCTION**

The HA is responsible for ensuring that the rents paid to owners are reasonable based upon objective comparable units in the rental market. When the HA has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the Certificate and Voucher programs. This Chapter explains the HA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

#### **A. OWNER PAYMENT IN THE CERTIFICATE PROGRAM**

The HA's payment to the landlord, called the Housing Assistance Payment, is the Contract Rent approved by the HA less the Tenant Rent determined by the HA.

#### **B. OWNER PAYMENT IN THE VOUCHER PROGRAM**

The maximum subsidy for each family is determined by the Payment Standard for the Voucher size issued to the family, less 30% of the family's Monthly Adjusted Income. The actual subsidy level could be less if the family is required to pay the Minimum Total Tenant Payment (10% of the family's Monthly Income).

The Voucher size issued to the family is based on the HA's Subsidy Standards. The payment standard for the family is based on the lesser of the Payment Standard for the Voucher size issued and the Payment Standard for the unit selected.

The Housing Assistance Payment to the owner is the lesser of the subsidy described above or the rent charged by the owner.

#### **C. MAKING PAYMENTS TO OWNERS**

The HAP Contract is executed and the HA begins processing payments to the landlord with an effective date that is the later of:

- The date the unit passed inspection,
- The date the rent requested by the Owner was approved,
- The date the lease provided by the Owner was approved,
- The date the previous Section 8 contract was terminated (if applicable), and
- The date the tenant was approved to take possession of the unit.

**A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Housing Assistance payments are disbursed by the Housing Authority to the owner each month. The payments may be distributed via electronic deposit or by check through the U.S. Mail Service.**

Beginning July 14, 1999, payments based on new or revised contracts, all owners will be required to accept HAP payments & other H.A. payments via electronic deposit.

Routine HAP payments will be disbursed on the first day of each month. Non-routine payments may be distributed at mid-month, e.g., initial payment for a new contract.

Housing Assistance payment checks that are not received will not be replaced until a Declaration and Indemnity Agreement has been received by the HA from the payee and a stop payment has been put on the check.

#### **D. RENT REASONABLENESS DETERMINATIONS [24 CFR 882.106 (b), 982.4]**

Rent reasonableness determinations are made when units are placed under HAP Contract for the first time and when owners request annual or special contract rent adjustments under the Certificate/Voucher Program.

For the Certificate and Voucher Programs, the HA will determine and document on a case-by-case basis that the approved rent:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and ;
2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least one comparable unit will be used for each rent determination. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 12 months. The data for other unassisted units will be gathered from newspapers, Realtors, professional associations, inquiries of owners, market surveys, and other available sources.

For rent reasonableness determinations the City of Long Beach has been divided into the following market areas: Downtown, Central, Beach, East, North, and West. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items will be used for rent reasonableness documentation:

Square Footage	Number of Bathrooms	Facilities
Date Built	Number of Bedrooms	Location
Unit Type	Quality	Amenities
	Management and Maintenance Service	

The HA maintains an automated database that includes data on unassisted units in the City of Long Beach, subdivided into the before-mentioned six market areas. The database is used by staff in making rent reasonableness determinations. The data is updated and purged when it becomes outdated.

The following procedures will be used to determine the reasonableness of proposed rents (Rent to Owner) when new leases are presented to the Housing Authority for approval:

- a. Staff will obtain a copy of a current lease agreement from the Owner to show the current rental rate for other similar unassisted units on the property.
- b. Staff will compare the proposed rent with the average rent amount in the Market Area for units of similar type and amenities.
- c. Staff will review the Inspector's Unit Profile, which documents the amenities and condition of the unit, completed by the inspector at the move-in inspection.
- d. Staff will review rents for other units on the property that are assisted by the Housing Authority.

For the Certificate Program all approved rental rates are subject to HUD's most recently published Fair Market Rent (FMR) Limits and regulations.

If the Housing Authority's database does not contain data consistent with the type of unit and amenities of the unit presented for rent, the Owner may provide data for two (2) comparable units within a 10-block radius of the unit.

Under the Certificate Program, staff may approve contract rents that are up to 10% above the FMR (exception rents). The total number of units approved up to 10% above the FMR may not exceed 20% of the total number of units administered under the Certificate Program. The HA may utilize exception rents for single family homes, units specifically designed for disabled households (and the family renting the unit is a disabled household), units that have three or more bedrooms and units which have the following amenities:

1. Recent rehabilitation (not redecorating),
2. Bonus room or family room
3. Has close proximity to a hospital or treatment center for a disabled household.

## **E. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM**

[24 CFR 887.351 (a)(b)]

The Payment Standard shall be the same as the Fair Market Rent, as published by HUD, on the date the Annual Contribution is approved by HUD. The Payment Standard is used to determine the maximum subsidy which can be paid by the HA on behalf of the family.

## **F. ADJUSTMENTS TO PAYMENT STANDARDS**

[24 CFR 887.209 (b), 887.351 (c)(d)]

Payment Standards may be adjusted to increase Housing Assistance Payments in order to keep families' rents affordable. The HA will not raise the Payment Standards so high that the number of families that can be assisted under available funding is substantially reduced. Nor will the HA raise Standards if the need is solely to make "high end" units available to Voucher holders.

The HA will review the Payment Standard annually to determine whether an adjustment should be made for some or all unit sizes. The Payment Standard will be reviewed according to HUD's requirements and this policy and if an increase is warranted, the payment standard will be adjusted within 80% to 100% of the current Fair Market Rent.

The HA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standards.

### **Assisted Families Rent Burdens**

The HA may review reports showing the percent of income used for rent by Voucher families to determine the extent to which the rent burden is more than 50% of income. These families will be encouraged to find more affordable units.

### **Availability of Suitable Vacant Units Below the Payment Standard**

The HA may review its rent reasonableness database and vacancy rate data to determine whether there is an adequate supply of vacant units below the Payment Standard in areas of low poverty concentration.

### **Quality of Units Selected**

The HA may review the quality of units selected by participant families before determining any change to the Payment Standard to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

### **Rent to Owner Increases**

The HA may review a sample of the units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

A comparison will then be made to the applicable annual adjustment factor to determine whether owner increases are excessive in relation to the published annual adjustment factor.

### **Time to Locate Housing**

The HA may consider the average time period for families to lease up under the Voucher program as compared to the Certificate program. If the average for Voucher holders exceeds that for Certificate holders by 10 percent, the Payment Standard may be adjusted.

## **Rent Reasonableness Data Base/Average Contract Rents**

The HA may compare the Payment Standards to average rents in its Rent Reasonableness Data Base and to the average Contract Rents by unit size. The Payment Standards should be on a par with these amounts.

## **Lowering of the Payment Standard**

If the FMR is lowered, the Payment Standard may not exceed the FMR except in those cases where families are held harmless until they move to a different dwelling unit or have a change in family composition, which would affect their Voucher size.

## **Financial Feasibility**

Before increasing the Payment Standard, the HA may review the budget and the project reserve, to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, the HA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current Payment Standards.

## **G. RENT ADJUSTMENTS [24 CFR 882.108]**

### **Certificate Program**

Owners may not increase rents prior to the end of the first year of the lease (anniversary date). The HA will notify owners of their right to request a rent adjustment 120 days in advance of the anniversary date. The approval or disapproval decision regarding the adjustment will be based on HUD-required calculations and a rent reasonableness determination. The adjustment may be an increase or a decrease, but may never result in a contract rent lower than the initial contract rent on the current HAP Contract. Owners must request the rent adjustment in writing.

Rent adjustments to owners under the Certificate Program are effective on the anniversary date of the HAP Contract (unless the unit is in a failed condition at that time). A notice of rent change will be sent to the owner and the family.

Rent increases must pass the rent reasonableness test and may not exceed the Adjustment Factor published annually by HUD (even if justified by rent reasonableness) unless the owner requests a Special Adjustment to be approved by HUD and the HA to cover increases in property taxes, assessments, or utility rates.

### **Disapproval of Requests for Adjustment**

If the HA rejects the Owner's request for rent adjustment as exceeding rent reasonableness and the owner rejects the HA's determination, the owner may offer the tenant a new lease (after receiving the HA's approval) with a sixty-day notice to the tenant. If the tenant refuses or the owner does not offer a new lease, the owner may institute court action to terminate tenancy for a business or economic reason in accordance with the lease. The HA will issue a new Certificate to the family.

After the tenant has begun searching for a new housing unit and/or after court action has been initiated, the owner may decide to accept the current lease. If the owner and tenant agree, the lease can continue.

If the tenant accepts the offer of a new lease, a Request for Lease Approval must be submitted and the requested rent will be subjected to rent reasonableness and, for the certificate program, the FMR limitations. If a new lease is executed, a new Contract must also be executed.

### **Voucher Program**

Owners may not request rent adjustments in the Voucher Program to be effective prior to the expiration of the first year of the lease. Rent adjustments are effective with a sixty-day notice to the family and a copy to the HA. The HA will advise the family as to whether the rent is reasonable and will approve or disapprove the rent increase.

## **CHAPTER 12**

### **RECERTIFICATIONS**

#### **INTRODUCTION**

**HUD requires that the Long Beach Housing Authority (HA) recertify the income and household composition of all families at least annually. In addition, the HA is required to inspect each assisted unit at least annually, and to process requests for rent adjustments in the Certificate program. These activities must be coordinated to ensure that they are completed in accordance with the regulation. It is a HUD requirement that families report all changes in household composition, but the HA decides what other changes must be reported, and the procedures for reporting them. This Chapter defines the HA's policy for conducting annual recertifications and coordinating the three annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.**

Families are required to provide information on income, assets, allowances, deductions, and family composition at least annually.

#### **A. ANNUAL ACTIVITIES [24 CFR 882.212 (a), 887.355]**

There are three activities the HA must conduct on an annual basis. These activities will be coordinated whenever possible:

1. Recertification of Income and Family Composition
2. HQS Inspection
3. Contract Rent Adjustment when requested by Owner (Certificate only)

The HA produces a monthly listing of units under contract to ensure that timely reviews of contract rent, housing quality, and factors related to Total Tenant Payment can be made. Requests for rent adjustments and other monetary changes will be transmitted to the appropriate **Housing Specialist**.

Annual activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective (anniversary date).

Annual inspections: See Chapter 10, "Housing Quality Standards and Inspections."

Rent Adjustments: See Chapter 11, "Rents, Rent Reasonableness and Payment Standards."

## **B. ANNUAL RECERTIFICATION/REEXAMINATION**

[24 CFR 882.212 (a), 887.355]

Families are required to be recertified at least annually. At the first interim or annual certification on or after June 19, 1995, family members must report and verify their U.S. citizenship/eligible immigrant status.

When families move to another dwelling unit:

**An annual recertification will be scheduled (unless a recertification has occurred in the last 120 days) and the anniversary date will be changed.**

Income limits are not used as a test for continued eligibility at recertification unless the family is moving under portability and changing their form of assistance.

### **Reexamination Notice to the Family**

The HA will maintain a reexamination tracking system and the household will be notified by mail of the date and time for their interview at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, the HA will provide the notice in an accessible format. The HA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

#### **Procedure:**

The HA's procedure for conducting annual recertifications will be:

Schedule the date and time of appointments and mail a notification to the family.

#### **Persons with Disabilities**

Persons with disabilities, who are unable to come to the HA's office and have no other family members available for the office visit, will be granted an accommodation of conducting the interview at the person's home, upon verification that the accommodation requested meets the need presented by the disability.

If there are other family members who are able to attend an office visit and the attending family members have proper verifications for the disabled adult, the interview will be conducted with the remaining families in the office.

### **Collection of Information**

The HA utilizes this basic method of data collection:



1. The HA allows the family to complete a family declaration form, then reviews the form with the family.

2. The Occupancy Specialist interviews the family, asks the questions and records the answers on the recertification forms.

This system utilizes the Family Declaration Form so that the HA has information in the family representative's own handwriting.

### **Requirements to Attend**

All adult household members family members will be required to attend the recertification interview.

If one adult member of household is unable to attend the interview, the Occupancy Specialist will determine if the missing adult meets one of the following criteria:

- Working spouse
- Other working adult
- Disabled person
- Full-time student

If so, the Occupancy Specialist will determine if attending family members have proper verifications for the missing adult and will proceed with the recertification interview. If not, the recertification interview will be rescheduled.

If more than one adult member is missing, the interview will be rescheduled.

If an adult is missing for the interview and the Occupancy Specialist suspects fraudulent activities, the Specialist may reschedule the interview or see the missing adult at a later date.

### **Failure to Respond to Notification to Recertify**

The written notification states which family members are required to attend the interview. The family may call to request another appointment date prior to the interview.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the HA, the HA will determine how many "no-shows" the family has had within the past 12 months for any type of interview and/or inspection. If less than three no-shows in the past 12 months, the HA will reschedule a second appointment.

If the family fails to appear for the second appointment or has a total of three no-shows in the past 12 months, the HA will terminate assistance to the family, and offer them an informal hearing.

### **Documents Required From the Family**

In the notification letter to the family, the HA will include instructions for the family to bring the following:

- Documents to support any priority claims
- Documentation of income for all family members
- Documentation of liquid and non-liquid assets
- Documentation of any deductions/allowances

- Family Declaration Form completed by head of household

### **Verification of Information**

The HA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 120 days old.

### **Tenant Rent Increases**

If tenant rent increases, a thirty-day notice is mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the thirty-day notice period.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the anniversary date (this may be accomplished through a repayment agreement). If fraud is suspected see Chapter 16 “Denial or Termination of Assistance.”

### **Tenant Rent Decreases**

Tenants are required to provide the HA with a written notice of decreased income. If tenant rent decreases, it will be effective on the first day of the month after the written notice was received.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by the HA.

## **C. REPORTING INTERIM CHANGES [24 CFR 882.212 (b), 887.357]**

HUD requires program participants to report all changes in household composition to the HA between annual reexaminations. This includes additions due to birth, adoption and court-awarded custody. The family must obtain HA approval prior to all other additions to the household.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular recertification after moving into the unit.

Families are required to provide a criminal history report for all adult additions to the household and receive HA approval prior to allowing them to move into the unit.

### **Increases in Income**

Interim Reexamination Policy:

Families are required to report all increases in income/assets of the all household members to the HA in writing within 30 days of the increase.

The HA will conduct interim reexaminations under the following circumstances:

- Increases in household income which comes from a new source.
- Increases or decreases in adult members to the household.

- Families reporting zero income should be reviewed every 90 days to determine income eligibility.

An interim reexamination does not affect the date of the annual recertification.

### **Decreases in Income**

Participants may report a decrease in income and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. The HA must calculate the change if a decrease in income is reported.

### **HA Errors**

If the HA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted to correct the error, but the family will not be charged retroactively.

## **D. NOTIFICATION OF RESULTS OF RECERTIFICATIONS**

The HUD form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change is mailed to the owner and the tenant. Signatures are not required by the HA. If the family disagrees with the rent adjustment, they may request an informal hearing within 10 days of receipt of the notice.

## **E. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)**

### **Standard for Timely Reporting of Changes**

The HA requires that families report interim changes to the HA within 30 days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within 30 days of when the change occurs.

If the change is not reported within the required time period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

### **Procedures when the Change is Reported in a Timely Manner**

The HA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Increases in the Tenant Rent are effective on the first of the month following at least thirty days notice.

Decreases in the Tenant Rent are effective the first of the month following that in which the change was reported in writing. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

The change may be implemented based on documentation provided by the family, pending third-party written verification.

## **Procedures when the Change is Not Reported by the Tenant in a Timely Manner**

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

Increases in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis. The family will be liable for any overpaid housing assistance and may be issued a Notice of Intended Action to terminate to assistance.

Decrease in Tenant Rent will be effective on the first of the month following completion of processing by the HA and not retroactively.

## **Procedures when the Change is Not Processed by the HA in a Timely Manner**

“Processed in a timely manner” means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by the HA in a timely manner.

In this case, an increase will be effective after the required thirty days notice prior to the first of the month after completion of processing by the HA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective. An amendment will be mailed to the Owner stating that an adjustment has been made in the tenant rent portion and paying him for any rent due. If the tenant paid a higher rent portion during the adjustment period, the Owner must reimburse or credit the tenant for the higher rent paid.

## **F. REPORTING OF CHANGES IN FAMILY COMPOSITION**

[ 24 CFR 882.213, 887.359 (a)(b)]

All changes in family composition must be reported within 30 days of the occurrence.

The HA will conduct an interim recertification of the family once documentation has been received that a member has been added or no longer resides in household (see page 12-5 “Interim Reexamination Policy”).

The subsidy standard in effect at the time of the change in the family composition will be used to determine the appropriate Certificate or Voucher size.

Families are required to provide a criminal history report for all adult additions to the household and receive HA approval prior to allowing them to move into the unit.

## **Increases in Family Size**

Members will be considered to be added to the assisted household under the following circumstances:

1. Increases other than by birth, adoption or court-awarded custody of minors are considered voluntary additions and must have the prior approval of the owner and the HA.
2. Increases other than by birth, adoption or court-awarded custody will not result in the inclusion of an additional “family” to the assisted household, e.g., a daughter and her two children who live outside of the subsidized family.

3. One adult person who is a spouse or “equivalent” to the head of household and who will share a bedroom with the head of household may be considered to be added once in a 12 month period.
4. Medical or Living Needs - An adult related by blood or marriage to the head or spouse who is depended upon for medical or living assistance may be added to the Section 8 household under the following circumstances, if proof of medical dependency is provided:
  - a. The immediate relative becomes dependent upon the head-of-household or spouse, or
  - b. The head-of-household or spouse becomes dependent on the immediate relative. (In this case the relative, if qualified, will be allowed the option of being a "Live-In Aide" or a "family member.") The consequences of each option will be thoroughly explained.

**If an addition would result in overcrowding according to HQS maximum occupancy standards:**

- The HA will issue a larger Certificate or Voucher or put the family on the Transfer List.

Families who need a larger Certificate or Voucher because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size.

**If a change due to birth, adoption, court-awarded custody, or need for a live-in attendant requires a larger size unit due to overcrowding, the change in Certificate/Voucher shall be made effective immediately. The HA may determine whether to issue a Certificate or Voucher in this instance based on funding availability. If there is no funding availability in either program, the family will be placed on the Transfer list.**

**Decreases in Family Size:**

**If the change in family composition results in the need for the family to move to a unit with fewer bedrooms, the family will be required to move as part of the annual recertification process. The family may voluntarily move earlier, pursuant to the move process (see Chapter 13 “Moves with Continued Assistance”).**

**G. CONTINUANCE OF ASSISTANCE FOR “MIXED” FAMILIES**  
[ 24 CFR 812.10 (c)]

**Under the Non-Citizen Rule, “Mixed” families are families that include at least one citizen or eligible immigrant and any number of ineligible members.**

“Mixed” families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

1. The head of household or spouse is a U.S. citizen or has eligible immigrant status; and

- 2. All members of the family other than the head, the spouse, parents of the head, parents of the spouse, and children of the head or spouse are citizens or eligible immigrants. The family may change the head of household to qualify under this provision.**

If a family does not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, the family may choose prorated assistance (See Chapter 6, "Factors Related to Total Tenant Payment Determination"), or the HA may offer temporary deferral of termination (See Chapter 15, "Denial or Termination of Assistance").

## **CHAPTER 13**

### **MOVES WITH CONTINUED ASSISTANCE/PORTABILITY**

#### **INTRODUCTION**

**HUD regulations permit families to move with continued assistance to another unit within the Long Beach Housing Authority's (HA) jurisdiction, or to a unit outside of the HA's jurisdiction under Portability procedures. The regulations also allow the HA the discretion** to develop policies which define any limitations or restrictions on moves. This Chapter defines the procedures for moves, both within and outside of, the HA's jurisdiction, and the policies for restriction and limitations on moves.

#### **A. ALLOWABLE MOVES**

A family may move to a new unit (providing the family is in compliance with its obligations) if:

1. The assisted lease for the old unit has terminated because the HA has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
2. The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
3. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to the owner).

#### **B. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552]**

Families will not be permitted to move under the following circumstances:

1. **The family has been evicted for violating the terms of the lease agreement.**
2. The family has violated a Family Obligation.
3. The family is at \$0 rental assistance.
4. The family owes the HA money.

5. The family has a temporary deferral of termination of assistance.
6. The family has moved within the last twelve months.
7. The family has exhausted 120 days under the CFP or Voucher.

## **C. PROCEDURE FOR MOVES**

If the family has not been recertified within the last 120 days, the HA conducts a recertification before issuing the C/V to move.

**When the family moves, the annual recertification date is changed to coincide with the new lease-up date.**

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

### **Notice Requirements**

If the family is approved for a move, the HA notifies the family when to give the owner notice in order to ensure that notice is not given prematurely.

The family must give the owner 60 days written notice of intent to vacate as specified in the lease and must give a copy to the HA simultaneously.

For units under a Certificate contract effective before October 2, 1995, if the family vacates the unit without proper notice in writing to the owner, the family will be responsible for any vacancy loss paid by the HA.

### **Issuance of Certificate/Voucher**

The Move Specialist issues the move certificate or voucher.

If the family has been recertified within the last 120 days, they may be scheduled for briefing and issuance of a C/V. The purpose of the briefing is to instruct the family on how to locate a new unit in a timely manner.

## **Time of Contract Change**

**In a move, assistance stops at the old unit pursuant to the lease and contract termination notice issued by the family and the HA. Assistance starts on the new unit on the effective date of the Lease and Contract. The family may be responsible for the full rent until the first assistance payment is received.**

A move within the same building or project, or between buildings owned by the same owner, is processed like any other move.

## **D. PORTABILITY [24 CFR 982.353]**

Portability is applicable to families moving out of or into the HA's jurisdiction within the United States and its territories. Families are eligible to move to another locality and continue their rental assistance. The unit may be located:

1. In the same state as the initial HA;
2. In a different state but the same Metropolitan Statistical Area (MSA) or an adjacent MSA;
3. In an MSA adjacent to the MSA of the initial HA, but in a different state.
4. In any jurisdiction in the United States where there is an HA with a tenant based program.

If the family is moving to an area where there is no HA in the locality, the HA will contract with the closest HA to administer the assistance.

#### **E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]**

When a family requests to move to outside of the HA's jurisdiction, the request must specify the area to which the family wants to move.

If the family is moving to a unit located in the same state as the initial HA, in the same MSA, but in a different state, or in an adjacent MSA in a different state, and there is not an HA in the area where the unit is located, the initial HA will be responsible for the administration of the family's assistance.

If there is more than one HA in the area in which the family has selected a unit, the HA will choose the receiving HA.

#### **Restrictions on Porting Out**

The HA will permit families to lease up outside the jurisdiction provided that:

1. They hold a valid C/V;
2. For initial lease-up, the family must be under the Very-Low Income limits of the receiving HA.
3. For initial lease-up, families will not be permitted to exercise portability during the initial 12 month period after admission to the program, if neither the head or spouse had a domicile (legal residence) in the HA's jurisdiction at the date of their initial application for assistance.
4. Participants who move under portability and change the form of assistance must be eligible under the Low-Income limits of the Receiving HA.
5. The Restrictions on Moves listed above apply.

#### **Outgoing Portability Procedures**

As the Initial HA, the HA determines if the family is within the income limits of the Receiving HA (for initial lease-up or change of form of assistance) and informs the family how to contact the Receiving HA. The HA notifies the Receiving HA that the family wishes to relocate into its jurisdiction. The Receiving HA determines whether to issue a C/V and whether to absorb or administer.



The HA provides the following to the Receiving HA:

- A copy of the family's C/V, with issue and expiration dates, formally acknowledging the family's ability to move under portability;
- Current information related to eligibility and rent payments;
- Persons designated for inquiries on eligibility and billing;
- The Administrative Fee Schedule for billing purposes;
- The most recent HUD 50058 form and verifications;
- Declarations and verifications of U.S. citizenship/eligible immigrant status;
- Identification Cards and Birth Certificates; and
- HUD form 52665

The Receiving HA must notify the HA within 60 days of the following:

- The Receiving HA decides to absorb the family into their own program;
- The family leases-up or fails to submit a Request for Lease Approval by the required date;
- Assistance to a portable family is terminated by the Receiving HA; and
- The family requests to move to an area outside the Receiving HA's jurisdiction.

### **Payment to the Receiving HA**

The HA requisitions funds from HUD based on the anticipated lease-ups of portable Certificates or Vouchers in other HA's jurisdictions. Payments for families in other jurisdictions are made to other HA's when billed or in accordance with other HUD approved procedures for payment.

When billed, the HA reimburses the Receiving HA for 100% of the Housing Assistance Payment, 100% of the Special Claims paid, and 80% of the Administrative Fee (at the HA's rate).

### **Claims**

The HA is responsible for collecting amounts owed by the family for claims paid and for monitoring the repayment. The HA notifies the Receiving HA if the family is in arrears or if the family has refused to sign a Payment Agreement, and the Receiving HA is asked to terminate assistance to the family.

Receiving HA's are required to submit hearing determinations to the HA within 30 days.

### **F. INCOMING PORTABILITY [24 CFR 982.354, 982.355]**

#### **Absorption or Administration**

**Port-in families are required to obtain criminal history records for all adult family members.**

**The HA accepts a family with a valid C/V from another jurisdiction and administers or absorbs the C/V. If administering, the family is issued a "Portability" C/V by the HA with the same start**

**date. The HA grants extensions in accordance with this Administrative Plan (Chapter 8 “Certificate/Voucher Issuance and Briefings”).**

If the HA does not absorb the incoming Voucher or Certificate, it administers the Initial HA's Voucher or Certificate and the Receiving HA's policies prevail.

**The HA issues a "Portability Certificate" or "Portability Voucher" according to the initial HA's Subsidy Standards. If the Family has a change in family composition that changes the C/V size, the HA changes it to the proper size based on its own Subsidy Standards.**

**The HA decides whether to extend the "Portability C/V" and for what period of time. However, if the Family decides not to lease-up in Long Beach, the Family must request an extension from the Initial HA.**

**For initial lease-up, the family must be within the HA's Very-Low Income limits. For participants, the HA may issue either a Certificate or Voucher but if the form of assistance changes, the family must be within the HA's Low Income limits. If the family is ineligible under the receiving HA's low income limit because the form of assistance offered causes the family to change programs, the Receiving HA must absorb the family without a change in the form of assistance, or administer the family's current form of assistance.**

For Old Rule Contracts, the HA's unpaid rent, damage and vacancy loss claim policies prevail (see Chapter 15 “Owner Claims”).

### **Income and TTP of Port-In's**

As Receiving HA, the HA conducts a recertification interview but only verifies the information provided if the documents are missing or are over 60 or 120 days old, whichever is applicable, or there has been a change in the family's circumstances.

For initial lease-up, the family must be within the HA's **Very-Low Income** limits. For participants, the HA may issue either a C/V but if the form of assistance changes, the family must be within the HA's **Low Income** limits. The HA must offer the same form of assistance if the family is over income for the HA's Low Income limit.

**If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in the HA's jurisdiction, the HA will refuse to enter into a Contract on behalf of the family at \$0 assistance.**

### **Requests for Lease Approval**

If the Family submits a Request for Lease Approval, it is processed using the HA's policies. If the Family does not submit a Request for Lease Approval or does not execute a Lease, the Initial HA is notified within 30 days by the HA.

If an Exception Rent is requested by an incoming Certificate holder, the HA checks with the Initial HA to determine whether Exception Rent authority is available.

If the Family leases up successfully, the HA notifies the Initial HA within 30 days, and the billing process commences.

If the HA denies assistance to the family, the HA notifies the Initial HA within 30 days and the family is offered a review or hearing.

The HA notifies the Family of its responsibility to contact the Initial HA if the Family wishes to move outside the HA's jurisdiction.

## **Terminations**

The HA notifies the Initial HA in writing of any termination of assistance within 30 days of the termination. If an Informal Hearing is required and requested by the Family, the hearing is conducted by the HA using the regular hearing procedures included in this Plan. A copy of the hearing decision is furnished to the Initial HA.

The Initial HA is responsible for collecting amounts owed by the Family for claims paid and for monitoring repayment. If the Initial HA notifies the HA that the Family is in arrears or the Family has refused to sign a Payment Agreement, the HA will terminate assistance to the family.

## **Required Documents**

As Receiving HA, the HA requires the following documents from the Initial HA:

- A copy of the family's C/V, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
- Current information related to eligibility and rent payments.
- Persons designated for inquiries on eligibility and billing.
- The Administrative Fee Schedule for billing purposes.
- The most recent HUD 50058 and 52665 forms and verifications.
- Declarations and verifications of U.S. citizenship/eligible immigrant status.
- Tax ID number.

## **Billing Procedures**

As Receiving HA, the HA bills the Initial HA monthly for Housing Assistance Payments. The billing cycle for other amounts, including Administrative Fees and Special Claims is monthly unless requested otherwise by the Initial HA.

The HA bills 100% of the Housing Assistance Payment, 100% of Special Claims and 80% of the Administrative Fee (at the Initial HA's rate) for each "Portability" C/V leased as of the first day of the month.

The HA notifies the Initial HA of changes in subsidy amounts and expects the Initial HA to notify the HA of changes in the Administrative Fee amount to be billed.

## **Chapter 14**

# **CONTRACT TERMINATIONS**

## **INTRODUCTION**

The Contract may be terminated by each of the three parties:

1. By the owner due to lease violations or owner “opt out”.
2. By the family when it ceases to occupy the unit.
3. By the HA when it terminates the Contract for any of the reasons enumerated below.

Termination of the Contract automatically terminates the Lease.

#### **A. CONTRACT TERMINATION EFFECTIVE DATES**

The Contract between the owner and the HA terminates at the end of the month in which the tenant ceases to occupy the unit. Exceptions to this policy are:

1. Termination due to owner violation or foreclosure are effective the date of the violation or foreclosure began.
2. When the family participation is canceled, the Contract terminates on the effective date of the cancellation at the end of the month in which the family moves, whichever is earlier.
3. If the owner opts out, the termination is effective the day the tenant vacates.

No future subsidy payments on behalf of the family are made by the HA to the owner after the month in which the Contract is terminated. The owner must reimburse the HA for subsidy paid by the HA for any month(s) after the contract termination date.

If the family continues to occupy the unit after the Contract is terminated, the owner may increase the family’s rent in accordance with State law.

After a contract termination, if the family is not restricted as specified in Chapter 13., Section B., they may lease-up in another unit.

#### **B. TERMINATION BY THE FAMILY: MOVES**

Families are required to give 60 days written notice of intent to vacate to the owner. The date of termination must be after the first year of the Lease to be in compliance with the Lease and HA policy. The notice period may be changed by the HA for administrative reasons but may not exceed 60 days.

The family must give the HA a copy of the Notice of Intent to Vacate.

See Chapter 13. for more information on moves.

#### **C. TERMINATION BY THE OWNER: EVICTIONS**

If the owner wishes to terminate the Lease, the owner is required to institute court action, using the notice period required under State law. The owner must also comply with the eviction procedures in the Lease and Contract with the requirement of federal, State and local law.

The eviction notice must specify the cause for eviction. If due to violation of the Lease, the notice should include the sections of the Lease and the acts that constituted the violations.

If the violation is curable, the notice should be given the tenant adequate time to cure.

If the eviction is not in compliance with the Lease and Contract, assistance terminates the day the eviction commenced but may be resumed if the owner withdraws the noncompliant eviction before the tenant moves.

If the owner “opts out” for business or economic reasons, the tenant, HA and HUD must be given 90 days notice. If the owner wishes to occupy the unit him/herself, the tenant and HA must be given 60 days notice.

When an eviction occurs, the HA continues making Housing Assistance Payments to the owner in accordance with the Contract as long as the tenant continues to occupy the unit and the Contract is not violated. By endorsing the monthly check from the HA, the owner certifies that the tenant is still in the unit and that s/he is in compliance with the Contract.

The HA provides owners with a flier describing eviction procedures under State law and Section 8 regulations and a sample Notice to Quit to assist them in conducting evictions properly.

If the eviction is for reasons other than action or failure to act and the family is eligible to move with continued assistance, the HA issues a new C/V.

## **D. TERMINATION OF CONTRACT BY HA**

### **D.1. Basis for Termination:**

The HA may terminate the Contract for these reasons:

<b>Reason</b>	<b>Effective Date</b>
The owner is not in compliance with the terms of the Contract (before terminating, the HA may give the owner an opportunity to take corrective action).	Retroactive to the date the violation occurred.
The owner committed fraud.	
The HA terminates assistance to the family.	End of the month after at least 30 days notice.
The family is required to move from a unit which is under-occupied (Certificate only) or overcrowded.	End of the month after At least 60 days notice.
Funding is no longer available under the ACC	End of the month after <u>at least</u> 90 days notice.
180 days will have passed since the last HAP to the owner.	(180 days notice is the norm.)

### **D.2. Termination due to HQS Failure:**

If there are repairs that the owner will not perform due to financial or other obstacles, and there are no health, safety or habitability violations, the HA may continue making assistance payments to the owner for up to 90 days (plus the balance of any month) and then terminate the Contract in good standing.

The decision to defer termination and waive abatement takes into consideration the nature of the

obstacles to compliance, the owner's efforts to comply and history to HQS compliance, the owner's efforts to comply and history of HQS compliance, and the owner's efforts to relocate the family.

#### **E. TERMINATION DUE TO INELIGIBLE IMMIGRATION STATUS**

For families who were participants on June 19, 1995, terminations due to the ineligible immigration status of all members of the family, or because a "mixed" family chooses not to accept proration of assistance, may be temporarily deferred for six months intervals up to a maximum of three years. The HA notifies the family and owner 60 days before deferral will end.

Any other participant family with no eligible members must be terminated effective at the end of a month following at least 30 days notice.

## **Chapter 15**

### **CLAIMS, MOVE-OUT AND CLOSE-OUT INSPECTIONS (For Contracts Effective Before October 2, 1995)**

#### **INTRODUCTION**

This Chapter describes the HA's policies, procedures and standards for servicing Contracts which were effective before October 2, 1995. Certificate and Voucher contracts in this category have provisions for the HA's liability to owners when families move out. Vouchers and Certificates have a provision for damages, and Certificates, in addition, have a provision for vacancy loss.

#### **A. OWNER CLAIMS**

Under HAP Contracts effective prior to October 2, 1995, owners may make "special claims" for damages, (normal wear and tear are exempt) unpaid rent, and vacancy loss (vacancy loss cannot be claimed in the Voucher Program) after the tenant has vacated the unit if the security deposit is inadequate reimbursement.

Owner claims for payment for unpaid rent, damages, or vacancy loss will be reviewed for accuracy and completeness and compared with records in the file. The HA establishes standards by which claims will be evaluated, but the burden of proof rests with the owner.

If vacancy loss is claimed, the HA will ascertain whether or not the family gave proper notice of its intent to move. The file will also be reviewed to verify owner compliance at the time the contract was terminated.

The HA will pay properly filed claims to the owner as a function of the contract, but the tenant is ultimately responsible to reimburse the HA for claims paid to the owner.

#### **B. UNPAID RENT [24 CFR 887.215, 882.112 (d)]**

Unpaid rent only applies to the tenant's portion of rent while the tenant is in residence under the assisted lease. It does not include the tenant's obligation for rent beyond the termination date of the HAP Contract.

Separate agreements are not considered a tenant obligation under the lease and the HA will not reimburse the owner for any claims under these agreements.

### **C. VACANCY LOSS IN THE CERTIFICATE PROGRAM [24 CFR 887.105]**

Vacancy Loss is applicable to the Certificate Program only. Vacancy loss is paid if the move was in violation of the notice requirements in the lease, or the result of an eviction.

In order to claim vacancy loss, the unit must be available for lease and the landlord must:

1. Notify the HA within 72 hours upon learning of the vacancy, or prospective vacancy, and
2. Pursue all possible activities to fill the vacancy, including, but not limited to:
  - a. Contacting applicants on the owner's waiting list, if any;
  - b. Seeking eligible applicants by listing the unit with the HA,
  - c. Advertising the availability of the unit, and
  - d. Not rejecting potentially eligible applicants except for good cause.

In the event that a unit becomes vacant because of death, the HA will permit the owner to keep the HAP for the month in which the tenant died.

If the owner claims vacancy loss, the security deposit that s/he collected or could have collected will be deducted from the vacancy loss claim.

### **D. MOVE-OUT INSPECTIONS**

Move-out inspections are performed after the tenant has vacated the unit. These inspections are performed to assess the condition of the unit, not to evaluate the HQS. There will be no move-out inspections of units with contracts effective on or after October 2, 1995. There will be no move-out inspection if in the owner's estimate the security deposit is sufficient reimbursement.

The owner must call the Claims Coordinator **within 72 hours after the tenant vacates the unit** to schedule a move-out inspection. The move-out inspection will be conducted within five business days of notification. The sole purpose of a move-out or close-out inspection is to verify an owner's damage claim. The inspector will annotate items which are pointed out by the owner as damages to the unit. Pictures may be taken to fully document the unit's condition.

If the contract was terminated due to owner breach, or the owner was in violation of the contract at the time that it was terminated, owner will be presumed to have no claim, but owner may submit evidence to the contrary.

The owner will be notified of the date and time of the inspection. If the owner or representative is not present, the move-out inspection will not be rescheduled unless there are extenuating circumstances.



The HA will not conduct a move-out inspection on tenant's request if the owner does not also request an inspection. A damage claim will not be approved unless the move-out inspection is requested and completed prior to the work being done.

In the event that the HA is unable to inspect within 5 days, the owner will be permitted to use date-stamped photographs to substantiate the claim.

## **E. CLAIMS PROCEDURES**

The owner must be present during the move-out inspection and only damages claimed by the owner are reimbursable.

All claims for damages must be supported by the actual bills for materials and labor and a copy of the canceled checks or other receipts documenting payment (not cash register tapes). Estimates or proposals are not acceptable. The owner must submit the Claim Form and all documentation **within 60 days** after the move-out inspection.

Bills from individuals providing labor must include the name, Social Security Number, address and phone number of the person providing the labor. Landlords making major or extensive repairs must submit a copy of applicable building permit. However, the actual cost of the owner's employees' labor, such as the resident manager, to make repairs may be included.

The HA may require verification of purchase date, quality, and price of replaced items in order to calculate depreciation.

Damages which were caused during tenancy, were repaired and billed, but remain unpaid at move-out, can not be considered and will not be included in the claim.

Eligible items to be included on the damage claim must have been a tenant responsibility under the lease or State law.

Claims for unpaid utility bills cannot be approved as part of a claim. Claims for normal wear and tear, previously existing conditions, routine turnover preparation, cleaning and cyclical interior painting are not paid.

The HA may inspect the unit to verify that repairs were made.

## **F. CLAIMS PROCESSING**

Any amount owed by the tenant to the owner for unpaid rent or damages will first be deducted from the maximum security deposit which the owner could have collected under the program rules. If the maximum allowable security deposit is insufficient to reimburse the owner for the unpaid tenant rent or other amounts which the family owes under the lease, the owner may request reimbursement from the HA up to the limits for each program.

The maximum claim which can be approved for contracts under the **Certificate Program** is two times the

contract rent minus the security deposit (the greater of the total tenant payment at the time of move-in or the security deposit collected).

The maximum claim which can be approved for contracts under the **Voucher Program** is the contract rent minus the security deposit (the amount of security deposit held by the owner or the security deposit the owner could have collected, whichever is greater).

The claims Coordinator reviews claims for unpaid rent, damages, or vacancy loss and makes a preliminary determination of amount payable. The landlord's claim is then forwarded to the tenant (notice sent to last known address if necessary) to allow an opportunity to review or dispute it and provide substantiating documentation. The notification will state the preliminarily determined amount, the type of claim, and describe the procedure for contesting the claim.

The HA will offer the family 10 days to contest the claim. If the family disputes the claim, the HA will schedule an informal meeting with the owner and tenant if necessary in order to resolve the differences.

If the family misses the Claim Review, another will not be scheduled unless there are extenuating circumstances. If the tenant fails to attend the meeting, the HA will proceed with its original determination.

If the family demonstrates that the claim, or parts of it, is invalid, the HA will adjust the amount. The HA may offer the tenant an opportunity for an Informal Hearing regarding the claim if disputes cannot be resolved.

### **Other Requirements for Claims Processing**

The owner must provide the tenant with an accounting of the disposition of the security deposit (estimate if necessary) **within 21 days of move-out** date per California law. A copy of the notice to the tenant must be sent to the Claims Coordinator, along with a US Post Office Certificate of Mailing (PS Form 3815) to verify that the notice was sent to the tenant's last known address.

If the owner regained possession of the unit through court action and was awarded a judgment for rent and damages, the Housing Authority will require a copy of a Satisfaction of Judgment before making payment on the claim. The Housing Authority will not honor a claim for rent if the court disallowed it. If a claim is made for stolen property, a copy of a Police report is required.

Costs of filing eviction to remove the tenant or any other legal fees, may not be reimbursed.

## **G. CLAIMS SETTLEMENT**

The Claims Coordinator will consider the length of tenancy, inspection reports, and documentation of repair costs to determine the amount approved. Owners will be reimbursed "reasonable" charges for repairs. When determining a "reasonable charge" for a repair, the Claims Coordinator will consider the extent of the work needed and the market rate of such work.

Reasonableness of costs will be based on periodic cost estimate surveys. Damage claims will be prorated to pay for the "remaining life" of the damaged item. Reimbursement for replacement of items such as carpets, drapes, or appliances, are based on depreciation schedules as follows:

<b>Item</b>	<b>Life Expectancy</b>
Paint	5 Years
Linoleum	5 Years
Tile Floors	7 Years
Drapes/Mini Blinds	5 Years
Refrigerators	7 Years
Stoves	7-10 Years
Carpeting	5-7 Years (7 years for houses & seniors)

After a determination has been made, the HA will notify the family in writing of the decision. If it has been determined that the family owes money, the HA will pursue collection to repay either in a lump sum or through a payment agreement. The notice will warn the family that their assistance may be terminated and they may be denied future participation in the program if they do not reimburse the HA as required.

## **Chapter 16**

### **DENIAL OR TERMINATION OF ASSISTANCE**

#### **INTRODUCTION**

The Long Beach Housing Authority (HA) may deny or terminate assistance for a family because of the family's action or failure to act. The HA will provide families with a written description of the Family Obligations under the program, the grounds under which the HA can deny or terminate assistance, and the HA's informal hearing procedures. This Chapter describes when the HA is required to deny or terminate assistance, and the HA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

#### **A. GROUNDS FOR DENIAL/TERMINATION [24 CFR 982.552, 982.553]**

##### **Form of Denial/Termination**

Denial of assistance for an applicant may include any or all of the following:

1. Denying placement on the HA waiting list
2. Denying or withdrawing a certificate or voucher
3. Refusing to enter into a HAP contract or approve a lease
4. Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a lease
2. Terminating housing assistance payments under an outstanding HAP contract

3. Refusing to process or provide assistance under portability procedures.

**Mandatory Denial and Termination [24 CFR 982.552 (10)(d), 982.455 (A)]**

The HA must deny assistance to applicants, and terminate assistance for participants:

1. If any member of the family fails to sign and submit HUD or HA required consent forms for obtaining information.
2. If no member of the family is a U.S. citizen or eligible immigrant.
3. If the family is under contract and 180 days have elapsed since the HA's last housing assistance payment was made because the family's total tenant payment (TTP) is equal to exceeds the gross rent.

**Grounds for Denial or Termination of Assistance [24 CFR 982.552 (b)]**

The HA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551.
2. Any member of the family has ever been evicted from public housing.
3. Any member of the family has ever had assistance terminated under the Certificate or Voucher program.
4. Any member of the family commits drug-related criminal activity, or violent criminal activity (see 982.553).
5. Any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. The family currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.
7. The family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
8. The family breaches an agreement with an HA to pay amounts owed to an HA, or amounts paid to an owner by an HA.
9. Failure to comply in the FSS program without good cause, under the family's contract of participation.

10. The family has engaged in or threatened abusive or violent behavior toward HA personnel.

“Abusive or violent behavior towards HA personnel” includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.

“Threatening” refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination.

## **B. FAMILY OBLIGATIONS [24 CFR 982.551]**

1. The family must supply any information that the HA or HUD determines is necessary in the administration of the program, including submission of <sup>required</sup> evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812). “Information” includes any requested certification, <sup>release or other documentation.</sup>

2. The family must supply any information requested by the HA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
3. The family must disclose and verify Social Security Numbers (as provided by 24 CFR part 750) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813.
4. All information supplied by the family must be true and complete.
5. The family is responsible for an HQS breach caused by the family as described in 982.404(b).
6. The family must allow the HA to inspect the unit at reasonable times and after reasonable notice.
7. The family may not commit any serious or repeated violation of the lease.
8. The family must notify the owner and, at the same time, notify the HA before the family moves out of the unit or terminates the lease on notice to the owner.
9. The family must promptly give the HA a copy of any owner eviction notice.
10. The family must use the assisted unit for residence by the family. The unit must be the family’s only residence.
11. The composition of the assisted family residing in the unit must be approved by the HA. The family must promptly inform the HA of the birth, adoption or court-awarded custody of a child. The family must request HA approval to add any other family member as an occupant of the unit. No other persons may reside in the unit.
12. The family must promptly notify the HA if any family member no longer resides in the unit.

13. If the HA has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or HA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
14. Members of the household may engage in lawful profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.
15. The family must not sublease or let the unit.
16. The family must not assign the lease or transfer the unit.
17. The family must supply any information or certification requested by the HA to verify that the family is living in the unit, or relating to family absence from the unit, including any HA-requested information or certification on the purposes of family absences. The family must cooperate with the HA for this purpose. The family must promptly notify the HA of absence from the unit.
18. The family must not own or have any interest in the unit.
19. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the programs.
20. The members of the family may not engage in drug-related criminal activity or violent criminal activity.
21. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.
22. The family must keep appointments made by the HA after reasonable notice. The family may not miss three appointments (including inspections) within a 12 month period.

### **Housing Authority Discretion**

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the HA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The HA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The HA may permit the other members of a family to continue in the program.

### **Enforcing Family Obligations**

Explanations and Terms:

The term “Promptly” when used with the Family Obligations always means “within 10 days.” Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

**Failure to Provide.** The HA must deny or terminate if the family does not provide Social Security numbers or sign required consent forms

**HQS Breach.** The inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches by the inspector supervisor.

**Allow Inspection.** The family must allow the HA to inspect the unit at reasonable times after reasonable notice.

**Lease Violations.** The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance:

1. If the owner terminates tenancy through court action for serious or repeated violation of the lease.
2. If there are police reports, neighborhood complaints or other third party information, and the HA has verified the information.

**Notification of Eviction.** If the family requests assistance to move and they did not notify the HA of an eviction within 10 days of receiving the Notice of Lease Termination, the move will be denied.

**Absence from Unit.** An absence longer than 90 days, is considered a violation, an incarceration of 30 days is considered a violation and in no case may the family’s absence exceed 180 days.

**Additions to the family.** Proposed additions to the family will be denied to:

- Persons who have been evicted from public housing.
- Persons who have previously violated a family obligation listed in 24CFR 982.51 of the HUD regulations.
- Persons who have been part of a family whose assistance has been terminated under the Certificate or Voucher program.
- Persons who commit drug-related criminal activity or violent criminal activity.
- Persons who do not meet the HA’s definition of family.
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- Persons who currently owe rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.
- Persons who have engaged in or threatened abusive or violent behavior toward HA personnel.

**Family Member moves out:**

Families are required to notify the HA in writing, within 30 days, if any family member moves out of the assisted household. When the family notifies the HA, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.
- A statement as to whether the family member is temporarily or permanently absent.

**Limitation on Profit-making Activity in Unit.** The activity must be approved by the owner.

If the HA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a violation.

**Interest in Unit.** The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad under the Certificate Program. The family may not sublease the unit.

**Fraud.** In each case, the HA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members. In the event of false citizenship claims, the HA will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

**Drug-related or Violent Criminal Activity:**

- Drug-related criminal activity means:
- The manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance (as defined in the Controlled Substance Act);
- The use or possession (other than with intent to manufacture, sell, or distribute) of a controlled substance.
- Drug-related criminal activity does not include the prior use or possession of a controlled substance if the family member had an addiction to the substance and has recovered or is recovering from the addiction and does not currently use or possess the substance.

**Violent criminal activity** includes:

- Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property, and
- The activity is being engaged in by any Family member.

**Applicants.** Applicants will be denied assistance if they have been arrested/convicted/evicted from a unit due to drug-related criminal activity within the last 12 months prior to the date of the certification interview.

Applicants will be denied assistance if they have been arrested/convicted/evicted from a unit due to violent criminal activity within the last 36 months prior to the date of the certification interview.

**Participants:** Participants will be terminated who have been arrested/convicted/evicted from a unit due to drug-related or violent criminal activity.

In appropriate cases, the HA may permit the family to continue receiving assistance provided that family members determined to have engaged in the proscribed activities will not reside in the unit. If the violating member is a minor, the HA may consider individual circumstances with the advice of Juvenile Court officials.

**Required Evidence.**

- **Preponderance of evidence** is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as



a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence shall not be determined by the number of witnesses, but by the greater weight of all evidence.

- **Credible evidence** may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants. The HA may will pursue fact-finding efforts as needed to obtain credible evidence.

The standard used at termination hearings will be preponderance of evidence (see Chapter 19, “Complaints and Appeals”).

### **Notice of Termination of Assistance**

In any case where the HA decides to terminate assistance to the family, the HA must give the family written notice which states:

- The reason(s) for the proposed termination,
- The effective date of the proposed termination,
- The family’s right, if they disagree, to request an Informal Hearing to be held before termination of assistance.
- The family must request a an informal hearing within 10 days of receiving the termination notice.

## **C. PROCEDURES FOR NON-CITIZENS [24 CFR 812.9 (c)(d), 812.10 (d)]**

### **Termination due to Ineligible Immigrant Status**

Assistance may not be terminated while verification of the participant family’s eligible immigration status is pending.

Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated. They must be given an opportunity for a hearing.

### **Temporary Deferral of Termination of Assistance**

Ineligible families who were participants as of June 19, 1995, may request a temporary deferral of termination of assistance in order to allow time to locate affordable housing and thereby preserve the family.

Temporary deferral of termination of assistance is also available to mixed families who were participants on June 19, 1995, who elect not to accept prorated assistance, and are not eligible for Continued Assistance. (See Chapter 14, “Contract Terminations.”) The HA must allow the mixed family time to find housing for ineligible members or for the entire family by deferring the termination.

Mixed families who choose temporary deferral of termination of assistance may change to prorated assistance at the end of any deferral period, if they have made a good-faith effort to locate housing.

## **Criteria for Approving Temporary Deferral of Termination of Assistance**

The HA will grant temporary deferral so long as the family makes reasonable efforts to find affordable housing.

Affordable housing is defined as housing that is standard based on HQS, of appropriate size (per HQS) and for which the rent plus utilities is no more than 25% greater than the HA calculated Total Tenant Payment.

The initial deferral interval shall be granted on the family's request. Subsequent requests for deferral shall be granted on the basis of the family's statement that they are making efforts to find affordable housing, so long as the supply of affordable housing in the area remains low as determined by comparing 125% of Total Tenant Payment to the data in the HA's Rent Reasonableness System.

### **Length of Deferral**

The initial temporary deferral is granted for an interval not to exceed six months. Additional deferrals can be made up to a maximum of three years. A notice is sent to the family at the beginning of each deferral period reminding them of their ineligibility for full assistance and their responsibility to seek other housing.

The family will be notified in writing sixty days before the end of the three-year maximum deferral period that there cannot be another deferral, and will be offered the option of prorated assistance if they are a mixed family and have made a good-faith effort to locate affordable housing.

### **False or Incomplete Information**

When the HA has clear, concrete, or substantial documentation (such as a permanent resident card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, the HA may give him/her an opportunity to provide a new declaration as an eligible immigrant or to elect not to contend their status. The HA will then verify eligible status, deny, terminate, or prorate as applicable.

The HA will deny or terminate assistance based on the submission of false information or misrepresentations.

### **Procedure for Denial or Termination**

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with the HA either after the INS appeal or in lieu of the INS appeal.

After the HA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable) or, for participants who qualify, for Temporary Deferral of Termination of Assistance.

## **D. \$0 ASSISTANCE TENANTS [24 CFR 982.455 (a)]**

In cases in which no subsidy is being paid because the family's total tenant payment (TTP) is equal to or exceeds the gross rent and the family is under contract and 180 days have elapsed since the HA's last housing assistance payment was made, termination of tenant eligibility occurs as follows:

### **For Old Contracts**

For contracts which were effective prior to 10/2/95, the HA is liable for unpaid rent and damages if the family vacates during the allowable 180 days after the last HAP payment. The HA must perform all of the functions normally required, such as reexaminations and inspections. The participant will be notified of the right to remain on the program at \$0 assistance for 180 days. If the family is still in the unit after 180 days, the assistance will be terminated.

### **New Contracts**

For contracts effective after 10/2/95, the HA has no liability for unpaid rent or damages, and the family may remain in the unit at \$0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the assistance will be terminated. If within the 180-day time frame an owner rent increase or a decrease in the Total Tenant Payment cause the family to be eligible for a housing assistance payment, the HA will resume assistance payments for the family.

### **Moves During the 180 Days**

The HA may issue a new Certificate/Voucher to a current participant for whom no HAP payment is being made **IF**:

1. Less than 180 days has elapsed since the date of the last HAP payment.
2. The family notifies the HA that its income has been reduced (or gross rent increased) to the point that the TTP no longer covers the gross rent.
3. There will be a HAP payment in the new unit.

### **E. ABSENCE FROM THE UNIT**

"Absence" means that no member of the family is residing in the unit.

The family may be absent from the unit up to 60 consecutive calendar days for verifiable medical reasons or emergencies related to immediate family members.

The family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason.

### **F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION** [24 CFR 982.551, 982.552 (c)]

If the family has misrepresented any facts that caused the HA to overpay assistance, the HA may choose not to terminate and may offer to continue assistance provided that the family executes a Repayment Agreement and makes payments in accordance with the agreement. or reimburses the HA in full.

### **G. MISREPRESENTATION IN COLLUSION WITH OWNER**

[24 CFR 982.551, 982.552 (c)]

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, the HA will deny or terminate assistance.

In making this determination, the HA will consider the possibility of undue influence or intimidation of the family by the owner and the family's understanding of the events.

#### **H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552 (c)]**

It is a Family Obligation to supply information, documentation, and certification as needed for the HA to fulfill its responsibilities. The HA schedules appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow the HA to inspect the unit and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply required information by a specified deadline without notifying the HA may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow the HA to inspect the unit.

Applicants and participants must keep appointments made after reasonable notice by the HA. The family may not miss three appointments (including inspections) within a 12 months.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

- Eligibility for Admissions
- Verification Procedures
- Certificate/Voucher Issuance and Briefings
- Housing Quality Standards and Inspections
- Recertifications
- Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Documented medical emergency
- Documented family emergency

#### **Procedure when Appointments are Missed or Information not Provided**

For most purposes in this Plan, the family will be given three opportunities to miss any combination of office and/or inspection appointments before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing:

The notice will not be rescinded even if the family offers to cure the breach.

## OWNER DISAPPROVAL AND RESTRICTION

### A. DISAPPROVAL OF OWNER

The owner does not have the right to participate in the program. The HA may disapprove an owner in the following cases:

1. The owner is barred from participation by the HA, another HA, or HUD.
2. The owner has violated a Section 8 Contract.
3. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with a federal housing program.
4. The owner has engaged in drug trafficking.
5. The owner has a history or practice of noncompliance with HQS.
6. The owner has violated Fair Housing laws or guidelines, including the “take one, take all” statute.

The HA conducts briefings and provides written material to owners to enable them to understand the program rules and avoid violations.

### B. OWNER RESTRICTIONS

If an owner is guilty of frequent or serious contract violations, commits fraud or abuse, the HA may restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The HA may also terminate all Contracts with the owner.

All cases of owner fraud are reported to the Inspector General. Cases are referred to the City Police Department for investigation and/or the District Attorney for prosecution as appropriate.

The HA guidelines for restrictions are contained in the table on the page. Each violation merits the full penalty for that violation. For example, if the owner collects excess rent from two tenants, the restriction is two years for each violation.

**Any owner whose penalties total five years or more may also be subject to termination of some or all current Contracts. In such cases, the HA may pay a stipend based on the family’s unit size to the tenants who are required to relocate to partially defray moving expenses.**

### C. OTHER REMEDIES FOR OWNER VIOLATION

1. **Overpayments:** If the owner has been overpaid as a result of fraud, misrepresentation or violation of the Contract, the HA may terminate the Contract and arrange for restitution to the HA and/or family as appropriate. The HA uses every available means to recover any overpayments made as a result of owner fraud or abuse, including filing suit (See Chapter 18., Section E.)
2. **Lesser Violations:** If the violation can be cured and circumstances justify leniency, the HA issues the owner an oral and written warning.

## **DISAPPROVAL OF OWNERS/PARTICIPATION RESTRICTIONS**

<b>Breach</b>	<b>Penalty</b>
Collect excess rent	2 years
Unallowed charges for services or amenities	1 year
Collecting HAP on unit not occupied by participant	2 years
Failure to correct serious HQS deficiencies resulting in 3 or more abatements over 12 months or during one contract term.	5 years
Failure to provide owner-supplied utilities or services	5 years
Fraudulent Claim	5 years
Permitting an unauthorized occupant	1 year
Non-compliant eviction - Second Violation	1 year
Falsification of rent comparable for a unit in same building	1 year
Discrimination in provision of services or violation of Fair Housing rules	10 years
Unapproved agreements with onerous or prohibited provisions	1 year

<b>BREACH</b>	<b>PENALTY</b>
HUD debarment/suspension	Restricted until HUD reinstates
Violation of tenant rights/issuance of false eviction notices	2 years
Commission of fraud, bribery or any other corrupt or criminal act in connection with a federal housing program	10 years
Engaging in drug trafficking	5 years

In some cases, the HA may cancel only those contracts that have been violated.

If the violation is curable (such as HQS breaches or noncompliant evictions), the HA will abate assistance and give the owner an opportunity to correct before terminating. The Housing Assistance Officer **and** a supervisor may reinstate abated payments if circumstances warrant.

Leniency may be justified based on the owner's history of compliance, evidence of intent, knowledge of the nature of the violation, absence of harm to the tenant, and willingness to cure.

#### **D. AUTHORIZATION FOR PENALTIES**

The Property Management Supervisor may authorize abatement for HQS failure. The Housing Assistance Officer may authorize any penalty short of restriction.

The Housing Assistance Officer and a supervisor may authorize the waiving of penalties.

The Housing Authority Bureau Manager approves any restrictions or disapprovals.

#### **E. APPEALS**

Except where the evidence is incontrovertible, the HA gives the owner an opportunity to respond before penalties are imposed.

Owners in the Section 8 program have no rights of appeal. However, the HA considers any information the penalized owner presents to dispute the HA's determination.

### **Chapter 18**

## **OWNER/FAMILY DEBTS TO THE HOUSING AUTHORITY**

### **INTRODUCTION**

The HA attempts to recapture amounts due from owners and participants, initially by reducing amounts otherwise due to them or collecting a lump-sum payment. Where this is not possible, the HA uses Payment Agreements. If an owner refuses to sign the Agreement, the HA proceeds with collection efforts and may take other steps described in Chapter 17., Section C.1., and Section E. of this Chapter. If a family refuses to sign a Payment Agreement, or make a required lump-sum payment, assistance is terminated. The HA continues collection efforts after termination.

#### **A. PAYMENT AGREEMENTS FOR PARTICIPANTS**

Payment Agreements are Promissory Notes which are executed with families who owe the HA money. Families may owe money for special claims (unpaid rent, damages, or vacancy loss) paid on their behalf by the HA to owners, or for overpayments of assistance due to unreported or incorrect information.

No move can be approved until the Payment Agreement is paid in full except under the circumstances listed in Chapter 13., Section A. In these cases, families are encouraged to make a lump-sum payment before the move.

The HA enters into no more than one overpayment and one Claims Payment Agreement at a time. Subsequent receivables are recorded by amending the Payment Agreement in the appropriate category. Monthly payments may be decreased in cases of hardship with the approval of a supervisor.

All family receivables other than those paid in full in advance are referred to the City's Billing and Collection Division for collection. The HA may also take the family to Small Claims or other Court for payment if the family does not pay.

If the family owes money and is more than 60 days in arrears, the HA may terminate assistance.

## **B. DEBTS FOR SPECIAL CLAIMS**

If a family owes money to the HA for claims, the HA is **not** required to enter into a Payment Agreement and may require the family to pay in full or face termination of assistance.

The maximum amount of a Payment Agreement for claims is \$2,500. If the amount owed is more than \$2,500, the family must pay the amount owed in excess \$2,500 in full and enter into a Payment Agreement for the balance or the family's assistance is terminated.

The minimum monthly payment is set at the greater of 10% of monthly Adjusted Income or \$50. Families are encouraged to make higher payments whenever possible. The term of the Payment Agreement cannot exceed 24 months; any excess must be paid in advance or assistance is terminated.

## **C. DEBTS DUE TO FRAUD**

Debts due to fraud, non-reporting, or misrepresentation must be paid in full or a Payment Agreement must be signed.

If the HA determines the family committed fraud, the HA requires the family to repay the entire amount in full or assistance is terminated.

Fraud is the willful intent to deceive for purposes of personal gain and may be distinguished from failure to provide true and complete information for other reasons.

Whether a family is allowed to enter into a Payment Agreement or required to pay in full depends on whether the HA considers the family in violation of a Family Obligation, whether the violation was due to fraud, the family's history of compliance, and whether the family already owes the HA money.

If the family supplies information willingly but late, and the amount is under \$5,000.00, the HA considers the willingness of the family in determining if there is fraud.

If fraud involves an amount over \$5,000, it is reported to the Inspector General. Where appropriate, the HA refers the case for criminal prosecution.

## **D. PAYMENT AGREEMENT FOR OVERPAYMENTS OF ASSISTANCE**

If the HA does not find fraud, the HA may enter into a Payment Agreement for up to \$5,000 with the family. The family must pay any balance due over \$5,000 on execution of the Payment Agreement. The requirements for repayment are the initial payment is at least 10% of the amount due and monthly payments are the greater of 10% of monthly Adjusted Income or \$50. The term of the Payment Agreement cannot exceed 24 months.

If the family refuses to sign a Payment Agreement, the HA terminates assistance and, if the amount is



\$5,000 or more, reports the to the Inspector General and to the City Prosecutor.

#### **E. RECAPTURING OVERPAYMENTS TO OWNERS**

When the HA determines an owner has retained payments to which the owner is not entitled, the HA reclaims the amounts from future payments due the owner for any units under Contract.

If future payments are insufficient to reclaim the amounts owed, the balance is referred to the City's Billing and Collection Division.

If an owner owes money to a tenant and does not pay voluntarily, the payment is made by the HA to the tenant and the amount debited against the owner's HAP.

The HA also restricts the owner from future participation and/or terminates Contract(s) as described in Chapter 17., Section C.

#### **F. DETERMINATION OF UNCOLLECTIBLE DEBTS**

Debts are deemed uncollectible and written-off if:

- More than five years have passed and the debtor's whereabouts are unknown.
- The debtor is deceased.
- The debtor is confined to an institution indefinitely.
- The debtor is judgment-proof.

# **OWNER/FAMILY DEBTS TO THE HOUSING AUTHORITY**

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## **Chapter 19**

# **COMPLAINTS AND APPEALS**

## **INTRODUCTION**

The informal hearing requirements as defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of the HA. This Chapter describes the policies, procedures and standards to be used when families disagree with an HA decision. The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of the HA to ensure that all families have the benefit of all protections due to them under the law.

### **A. COMPLAINTS TO THE HA**

The HA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. The HA does not require that complaints, other than HQS violations, be put in writing. However, in order to ensure proper documentation, it is recommended that all complaints be put in writing. Emergency HQS complaints may be reported by telephone.

### **Categories of Complaints**

1. Complaints from families: if a family disagrees with an action or inaction of the HA or Owner.

Complaints from families will be referred to the Occupancy Specialist assigned to the case. If families remain unsatisfied, they may be referred to the supervisor, the Housing Assistance Officer and/or Ombudsperson.

2. Complaints from Owners: if an owner disagrees with an action or inaction of the HA or a family.

Complaints from Owners will be referred to the Occupancy Specialist assigned to the case. If Owners remain unsatisfied, they will be referred to the supervisor the Housing Assistance Officer and/or Ombudsperson.

3. Complaints from staff: if a staff person reports an owner or family who is either violating or not complying with program rules.

Complaints from staff will be referred to their Supervisor or the Housing Assistance Officer.

4. Complaints from the general public: complaints or referrals from persons in the community regarding the HA, a family, or an Owner.

Complaints from the general public will be referred to the Housing Assistance Officer and/or Ombudsperson.

## **B. INFORMAL REVIEW PROCEDURES FOR APPLICANTS**

[24 CFR 982.54 (d) (12), 982.554]

An Informal Review is provided for an applicant who is denied assistance before the effective date of his/her HAP Contract (except when the basis of denial is citizenship or eligible immigrant status; an applicant denied on this basis is entitled to an Informal Hearing).

When the HA determines that an applicant is ineligible for the program, the family will be notified of their ineligibility in writing. The notice will contain:

1. The reason(s) they are ineligible;
2. The procedure for requesting a review if the applicant does not agree with the decision; and
3. The time limit for requesting a review.

The HA will provide applicants with the opportunity for an Informal Review of decisions denying:

1. Qualification for residency preference;
2. Qualification for military preference;
3. Listing on the HA's waiting list;
4. Issuance of a Certificate or Voucher; and
5. Participation in the program.

Informal Reviews are not required for established policies and procedures and HA determinations such as:

1. Discretionary administrative determinations by the HA;
2. General policy issues or class grievances;
3. A determination of the family unit size under the HA subsidy standards;
4. Refusal to extend a Certificate or Voucher;
5. Disapproval of a lease;
6. Determination that unit is not in compliance with HQS;
7. Determination that unit is not in accordance with HQS due to family size or composition;  
and
8. Refusal to change the form of assistance offered.

### **Procedure for Review**

A request for an Informal Review will be received in writing by the close of the business day, no later than 10 calendar days from the date of the HA's notification of denial of assistance. The informal review will be scheduled within 30 calendar days from the date the request is received.

The Review may be conducted by:

1. A staff person at the supervisory level or above, or
2. A staff person appointed by the Housing Assistance Officer.

The Informal Review may not be conducted by:

1. The person who made or approved the decision under review, or
2. A subordinate of the person who made the decision.

The applicant will be given the option of presenting oral or written objections to the decision. Both the HA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them, at their own expense. The review may be conducted by telephone if so requested in writing by the family.

A Notice of the Review findings will be provided in writing to the applicant within 14 calendar days after the review. It will include the decision of the reviewing officer and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

### **C. INFORMAL HEARING PROCEDURES [24 CFR 982.555 (a-f), 982.54(d)(13)]**

The HA will provide a copy of the hearing procedures in the family briefing packet and at the time the family is notified of the HA's intent to deny or terminate assistance.

When the HA makes a decision regarding the eligibility and/or the amount of assistance, participants will be notified in writing. The HA will always provide the opportunity for an informal hearing before termination of assistance. The HA will give the family prompt notice of such determinations which will include:

1. The proposed action or decision of the HA;
2. The date the proposed action or decision will take place;
3. The family's right to an explanation of the basis for the HA's decision;
4. The procedures for requesting a hearing if the family disputes the action or decision; and
5. The time limit for requesting the hearing.

The HA will provide participants with the opportunity for an Informal Hearing for decisions related to any of the following HA determinations:

1. Determination of the family's annual or adjusted income and the computation of the housing assistance payment;
2. Appropriate utility allowance used from schedule;
3. Family unit size determination under HA subsidy standards;
4. Determination that Certificate program family is under-occupied, as defined through HQS, in their current unit and a request for exception is denied;
5. Determination to terminate assistance for any reason;
6. Determination to terminate assistance because the participant family has been absent from the assisted unit for longer than 90 days;
7. Determination to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account; and
8. Determination to pay an owner claim for damages, unpaid rent or vacancy loss under Old Rule Contracts.

Informal Hearings are not required for established policies and procedures and HA determinations such as:

1. Discretionary administrative determinations by the HA;
2. General policy issues or class grievances;
3. Establishment of the HA schedule of utility allowances for families in the program;

4. An HA determination not to approve an extension or suspension of a certificate or voucher term;
5. An HA determination not to approve a unit or lease;
6. An HA determination that an assisted unit is not in compliance with HQS (HA will provide hearing for family breach of HQS because that is a family obligation determination);
7. An HA determination that the unit is not in accordance with HQS because of the family size; and
8. An HA determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

### **Notification of Hearing**

It is the HA's objective to resolve disputes at the lowest level possible and to make every effort to avoid the most severe remedies. However, if this is not possible, the HA will ensure that applicants and participants receive all of the protections and rights afforded by the law and the regulations.

All requests for Informal Hearings must be made in writing within 10 calendar days of the date of the notification letter. Before scheduling a hearing, the HA attempts to resolve the problem, if appropriate, without a hearing.

If a hearing request is received after the 10 calendar days, the request for hearing will be denied.

When the HA receives a request for an informal hearing, a hearing will be scheduled within 30 days. The notification of hearing will contain:

1. The date and time of the hearing;
2. The location where the hearing will be held;
3. The family's right to bring evidence, witnesses, legal or other representation at the family's expense; and
4. The right to view any documents or evidence in the possession of the HA upon which the HA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.

### **Hearing Procedures**

After a hearing date is scheduled, the family may request to reschedule only upon showing "good cause," which is defined as a documented unavoidable conflict which seriously affects the health, safety or welfare of the family. Good cause does not include incarceration.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the HA within 48 hours, excluding weekends and holidays. In addition, the HA will only reschedule the hearing if the family can show good cause for the failure to appear, i.e., a verifiable medical emergency or family emergency.

Discovery by the family:



Before the hearing, the family will be given the opportunity to:

1. Examine any HA documents in the file which are the basis for the HA's action, and all documents submitted to the Hearing Officer, and
2. Copy any relevant documents at their expense.

No document which has not been made available for examination by the HA may be presented or relied upon at the Informal Hearing.

If the family requests copies of documents relevant to the hearing, the HA will provide one copy to the family at no charge. In no case is the family allowed to remove the file from the HA's office or view the files without the presence of HA staff.

Discovery by the HA:

Before the hearing, if the family exercises its right to discovery, then the HA must be given the opportunity to:

1. Examine at HA offices any family documents that are directly relevant to the hearing, and
2. The HA must be allowed to copy any such documents at the HA's expense.

No document which has not been made available for examination by the family may be presented or relied upon at the Informal Hearing.

During the hearing, families have the right to:

1. Present written or oral objections to the HA's determination;
2. Present any information or witnesses pertinent to the issue of the hearing; and
3. Be represented by legal counsel, advocate, or other designated representative at their own expense.

During the hearing, the HA has a right to:

1. Present evidence and any information pertinent to the issue of the hearing;
2. Have its attorney present; and
3. Have staff persons and other witnesses familiar with the case present.

## **Hearing Officer**

The Informal Hearing will be conducted by a Hearing Officer, appointed by the HA, who is neither the person who made or approved the decision leading to the Informal Hearing, nor that person's subordinate.

A Hearing Officer may only receive evidence or hear testimony directly related to the issue which caused an informal hearing to be scheduled. The Hearing Officer's determination as to whether any particular

evidence or testimony meets this requirement may be made without regard as to whether it would be admissible in a court of law. Anonymous evidence will not be considered.

An audio recording of the hearing will become part of the records of the HA. A family may obtain a copy of the recording by providing the HA with a blank tape for this purpose within five days after the hearing.

At the Informal Hearing, the Hearing Officer may ask the family or the HA to submit additional information to be considered in reaching his or her determination. Any information so submitted must be provided to both sides and the non-submitting side must be given an opportunity to submit further information in response. The Hearing Officer may set any reasonable schedule for such post-hearing submittals and responses.

If the family misses an appointment or deadline ordered by the Hearing Officer, the action of the HA will take effect and another hearing will not be granted.

### **Hearing Officer Determination**

The Hearing Officer will determine whether the action, inaction or decision of the HA is in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A Notice of Finding shall be mailed to HA and the family within 14 calendar days and will include:

1. A clear summary of the decision and reasons for the decision;
2. If the decision involves money owed, the amount owed; and
3. The date the decision goes into effect.

The HA is not bound by hearing decisions:

1. Which concern matters in which the HA is not required to provide an opportunity for a hearing
2. Which conflict with or contradict HUD regulations or requirements;
3. Which conflict with or contradict Federal, State or local laws; or
4. Which exceed the authority of the person conducting the hearing.

The HA will send a letter to the participant if it determines the HA is not bound by the Hearing Officer's determination within 14 calendar days of the receipt of the decision. The letter will include the HA's reasons for the decision.

All requests for an Informal Hearing, all written evidence considered by the hearing officer, and the Hearing Officer's Notice of Finding shall be retained in the family's file.

### **E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS" [24 CFR 812.9]**

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while the HA hearing is pending but assistance to an applicant may be delayed pending the HA hearing.

### **INS Determination of Ineligibility**

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the HA will notify the applicant or participant within 14 calendar days of their right to appeal to the INS within thirty days or to request an informal hearing with the HA within 14 calendar days either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give the HA a copy of the appeal and proof of mailing or the HA may proceed with denial or termination of assistance. The time period to request an appeal may be extended by the HA for good cause.

The request for a HA hearing must be made within 14 calendar days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 14 calendar days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in Section D of this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the HA will:

1. Deny the applicant family;
2. Defer termination if the family is a participant and qualifies for deferral, or
3. Terminate the participant if the family does not qualify for deferral.

If there are eligible members in the family, the HA will offer to prorate assistance or give the family the option to remove the ineligible members.

### **Other Complaints related to Eligible Citizen/ Immigrant Status**

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.

Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

## **Chapter 20**

# INTRODUCTION

The HA encourages programs and activities to support self-sufficiency for its clients. To meet this objective, the HA exercises the option under Section regulations (24 CFR 982) to allow the use of Section 8 Vouchers for homeownership. This chapter defines the criteria for participation in this program.

## A. MAXIMUM PROGRAM SIZE

The Section 8 Homeownership Program will be designed to work in conjunction, as much as possible, with the City of Long Beach' first time homebuyer programs. The maximum program size will be 20 participant families per calendar year.

## B. ELIGIBLE FAMILIES

### 1. Basic Requirements for Participation

In addition to the regulation eligibility requirements, families must not owe any money to be delinquent in repayment of any money owed to, the HA or/to other housing authority. They must also meet one of the following requirements:

- a. Be a current Section 8 participant or resident who is an elderly family or a disabled family as defined in 24 CFR 5.043(b); or
- b. Be a current Section 8 participant who is not an elderly family or a disabled family. Preference will be given to families currently enrolled in the HA's Family Self-Sufficiency (FSS) program with escrow accounts and in compliance with their FSS Contract and Participation (COP); or
- c. Be a family who is not an elderly family or a disabled family, and who has completed and received a first time homeownership certification.

Home purchase must be in the City of Long Beach.

## Standards for Employment Requirement

The regulations require that a family, who is not an elderly family or a disabled family, must demonstrate that one or more adult members of the family has been continually employed on a full-time basis during the 12 months before commencement of homeownership assistance for the family. In determining whether a family meets the requirement, the HA will not count as a break in continuity any time off from work related to serious illness, involuntary lay-off not for cause, or pregnancy or other FMLA-eligible situation, provided that the family still meets the minimum income from employment requirement. The HA will count successive employment and self-employment in a business to establish eligibility.

## C. APPLICABILITY OF OTHER ADMINISTRATIVE PLAN SECTIONS

The regulations for the Section 8 Homeownership Program specify which types of provisions of the Voucher regulations do not apply to assistance provided under the homeownership option (24 CFR §982.641). The following types of provisions of the Section 8 regulations and the implementation of policies in this Administrative Plan do not apply:

- Provisions concerning the Section 8 owner or the HAP Contract between the PHA and the owner;
- Provisions concerning the assisted tenancy or the lease between the family and the owner;
- Any provisions concerning PHA approval of the assisted tenancy;
- Any provisions concerning rent to the owner or reasonable rent; and
- Any provisions concerning the issuance or term of Voucher.

In the event of any conflict between provisions of the Section 8 Homeownership regulations and this Administrative Plan, the Section 8 regulations take precedence.

## **D. FINANCING**

### **1. Financing for Purchase**

The HA supports HUD's efforts to prevent predatory or abusive lending practices, particularly for families in the Section 8 Homeownership Program. The HA in working in partnership with Fannie Mae to provide services for Section 8 Homeownership, will review financing for affordability, given all anticipated homeownership and other necessary family expenses. If the mortgage is not FHA-Insured, the HA will require the lender to comply with secondary mortgage market underwriting

requirements or comply with the generally accepted private sector underwriting standards. The HA will review financed mortgages on a case-by-case basis.

### **2. Financing for Additional Debt Secured by the Home Following Purchase**

The HA will review the terms and amount of any additional debt secured by the home. Debt to repair the home to meet HQS may be approved at any time. Debt for other purposes will be allowed after the family has lived in the home for two years and can demonstrate that the additional debt is affordable, given the experience in meeting other necessary homeownership expenses during that time. All such financing must meet the standards outlined in Section 1. Financing for Purchase.

### **3. Payment of Housing Assistance Payment**

The HA will make the Housing Assistance Payment either to the family or to the lender, depending on the requirements of the lender.

## **E. POLICIES REGARDING PRE/POST PURCHASE ACTIVITIES**

### **1. Counseling Requirements Prior to Purchase**

The HA requires that the family successfully complete a homeownership counseling program which meets the program requirements.

### **2. Housing Search and Purchase Time Limits**

The maximum time allowed for a family to located a home is 180 days. A family must report on its progress to HA staff during the housing search period. The time limit can be extended, at the sole option of the HA, for good cause. The family must contact the HA within 5 business days of locating home of their choice for purchase. If a family is unable to purchase a home within the maximum time established, the HA will issue a Voucher for the family to lease a unit, if necessary.

### **3. Housing Counseling - Post-Purchase**

The HA will make information on counseling opportunities available to families participating in the homeownership program. The HA requires that a family participate in counseling following purchase of the home, even if the family is meeting all of its obligations under the program. If a family expects to be unable to make its monthly mortgage payment, it

must immediately notify the HA which will determine the actions to be taken to remedy the situation. This may include a requirement to participate in additional counseling.

A family who is not an elderly family or a disabled family must continue its participation in the FSS program until it has completed all of the activities in its COP and met all other requirements to successfully graduate from the FSS program.

### **4. Allowance for Homeownership Expenses**

The HA allows those homeownership expenses stated in 24 CFR 982.635.

The HA develops an allowance for expenses related to maintenance and to major repairs and replacements. The HA reviews the adequacy of these allowances at least every two years and revises them as needed, for the duration of the housing assistance.

**5. Inspections**

The HA will carry out a Housing Quality Standards (HQS) Inspection of a family's home prior to purchase, 12 months after purchase, and every two years after that.

**F. MOVES WITH AND WITHOUT HOMEOWNERSHIP ASSISTANCE**

**1. Allowable Number of Moves**

A family may not move with continued homeownership assistance during the first two years following commencement of homeownership assistance. After the first two years, a family may sell their property and purchase another no more than once in any twelve months.

The property must be owner occupied for the term of the assistance and cannot be rented.

**2. Continued Assistance**

If a family is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt incurred to purchase the home, or any refinancing of such debt, the HA terminates Voucher homeownership assistance in accordance with the regulations (24 CFR 982.638). The HA will issue a Voucher for the family to move to a new unit with continued Voucher rental assistance, provided the family meets all other Section 8 program requirements.

## **CHAPTER 21**

### **PROJECT-BASED VOUCHER PROGRAM**

#### **PART I: GENERAL REQUIREMENTS**

##### **OVERVIEW [24 CFR 983.5]**

The HACLB will operate a project-based voucher (PBV) program using up to 20 percent of its budget authority for project-based assistance to expand housing opportunities for low to moderate income families by promoting the development and rehabilitation of low-income housing throughout the City of Long Beach.

The purpose of the PBV program is to encourage property owners to construct new standard housing (New Construction), or to upgrade substandard rental housing stock (Substantial Rehabilitation) and make it available to lower income families in the community. [24 CFR 983.52]

##### **TENANT-BASED VS. PROJECT-BASED VOUCHER PROGRAM [24 CFR 983.2]**

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

##### **RELOCATION REQUIREMENTS [24 CFR 983.7]**

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. The HACLB may not use voucher program funds to cover relocation costs, except that it may use administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the HACLB to ensure the owner complies with these requirements.

##### **EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]**

HACLB will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at

24 CFR 5.105(a). In addition, the HACLB will comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

## **SELECTION CRITERIA**

Proposals for project-based voucher assistance may be requested for new or existing structures or structures that will undergo rehabilitation. The type of units sought for project-based voucher assistance may have special conditions that are created to achieve a desired housing outcome for the type of families targeted to receive housing assistance and/or to create affordable housing opportunities in specific geographic areas meeting site selection criteria. Site selection criteria will be specified in the RFP in order to inform prospective bidders of the methodology used to evaluate the proposals. All units awarded project-based voucher assistance must comply with 24 CFR Part 983 regarding eligible housing.

No more than 25 percent of the units in a building may receive project-based voucher assistance. Units in single-family buildings do not count against the 25 percent cap, nor do “excepted units” in a multifamily building. “Excepted units” are included under the PBV contract and identified as such. “Excepted units” are units in a multifamily building that are specifically made available for “qualifying families.”

“Qualifying families” means elderly or disabled families or families receiving supportive services, where at least one family member is receiving at least one qualifying supportive service. These supportive services may include, but are not necessarily limited to:

- After school programs

- Youth leadership development programs

- Training and job readiness programs

- GED preparation and literacy

- Case management

- Personal finance and household budget counseling

- Day care services to enable parents to work or attend school

The HACLB will annually monitor the excepted family’s continued receipt of supportive services, based on case management reports submitted by the property owner. The project-based voucher contract will be amended as necessary, when necessary to properly reflect the units assisted under the program.

## **SITE SELECTION STANDARDS**

Project-based voucher assistance at a selected site will be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities consistent with 24CFR Part 903. The site will be suitable for facilitating and furthering compliance with all Civil Rights and Section 504 regulations. The site will also meet HQS site standards.



## **AWARD OF PROJECT-BASED VOUCHER ASSISTANCE CONTRACTS**

The PHA shall give prompt written notice of such selection to the party that submitted the proposal and prompt public notice of such selection.

### **HOUSING TYPE [24 CFR 983.52]**

1. Eligible Housing. Rehabilitated units, new construction, and existing housing may be considered. Rehabilitated housing is housing that has rehabilitation expenditures of MORE THAN \$1,000 per unit. Existing housing is housing that requires LESS THAN \$1,000 per unit of rehabilitation (or no rehabilitation) to meeting Housing Quality Standards (HQS). Each unit must pass an HQS inspection before PBA program assistance can begin.
2. Expanding Housing and Economic Opportunities. Projects must be located in census tracts with a poverty rate of 20% or less (projects located in areas with higher poverty rates may also be considered, but the owner must submit justification for the need to project-base their development in such areas). These projects will be submitted to HUD for review and approval. Projects should also be located in areas that are in close proximity to one or more of the following: employment centers, schools or colleges, public transportation, health facilities, and parks and recreational areas.
3. Number of Units. Projects with more than four units per building are subject to a 25% limit of PBA units in each building. Single-family homes and buildings with four or fewer units are exempt from this requirement.
4. Project Readiness. Projects must be ready for occupancy under the PBA program within a reasonable period of time. Projects with more immediate occupancy readiness may be given preference over those with a delayed readiness date.
5. Occupancy Rate. In order to ensure maximum and consistent utilization of project-based assistance for existing units only, projects with higher average occupancy rates will be given preference over those with lower rates.
6. Contract Term. Regulations currently require a contract term of not less than one year nor more than five years, subject to funding availability. If regulations are amended as proposed, the contract term may be up to 10 years in duration, subject to funding availability. In all cases, preference will be given to contracts of the maximum duration. The contract may be extended upon HA approval.
7. Occupied Units. Tenants currently residing in units selected for the PBA program must be eligible for the Section 8 Rental Subsidy Program. The Housing Authority may not select a unit for project-based assistance if it is occupied by persons who are not eligible for participation in the program.

## **B. TENANT SELECTION**

The PHA will maintain a Project-Based Voucher Waiting List, except in the case of properties serving special segments of the population, in which case a site-specific PBV waiting list will be maintained. At the time the HACLB opens its tenant-based assistance waiting list, the HACLB will offer to place entrants on the waiting list for project-based voucher assistance, as well as tenant-based assistance. When a project-based voucher unit becomes available, the PBV Waiting List will be reviewed to determine the first family of the appropriate bedroom size or other eligibility criteria (elderly) for the vacancy. The family will be contacted to determine whether they are interested in project-based housing.

If the family is interested in project-based housing, the family will be interviewed for final eligibility determination. If the family is eligible, they will be referred to the owner of the vacant project-based unit and offered housing, pending final screening and approval by the property owner.

All available project-based voucher units will be leased by persons referred from the Project-Based Voucher Waiting List(s). Owners of PBV properties can refer applicants to the PHA for placement onto the PBV waiting list when the Project-Based Voucher Waiting List is open.

The PBV waiting list may be opened by bedroom size if the number of families on the PBV waiting list is insufficient to promptly refer a sufficient number of families, eligible for that bedroom size, to the owner(s) to fill the vacancies of units currently under PBV contract.

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. The PHA may provide any additional information to the owner, such as tenancy history, criminal history, etc.

## **PARTICIPANT RIGHTS AND RESPONSIBILITIES**

Admission, tenant rent contributions, tenancy, annual reexaminations, and Housing Quality Standards and policies for participants will be governed by 24 CFR Parts 982, 983 and this Administrative Plan. Voucher issuance and portability are restricted while the family participates in the project-based voucher program. Tenants that wish to vacate the property may request a voucher to convert to the tenant-based program after residing in the project-based unit for at least one year.

If a voucher is not available, the family receives priority for the next available voucher.

The family must give the owner advance written notice (in accordance with the terms of the lease) of intent to vacate. If the family terminates the assisted lease before the end of one year, it relinquishes the opportunity for the continued tenant-based assistance at that time. (The PHA will reconsider eligibility for tenant-based assistance in rank order if listed on HACLB waiting list). Voucher holders must comply with HUD's list of family obligations and Administrative Plan requirements.

## **OWNER RESPONSIBILITIES**

The owner is responsible for performing all of the owner responsibilities as identified in 24 CFR Part 982.452 and in Part 983, including but not limited to unit maintenance and operation, applicant screening and lease enforcement.

The owner must notify the PHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.

If any contract units have been vacant for 120 days, the PHA may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice to the owner within 10 business days of the 120<sup>th</sup> day of the vacancy. The amendment to the HAP contract will be effective the 1<sup>st</sup> day of the month following the date of the PHA's notice.

## **PHA RESPONSIBILITIES**

The PHA will comply with applicable HUD and HACLB regulations and policies. When identified in the project-based contract, HACLB will provide vacancy payments for periods up to 30 days in an amount not to exceed one month's HAP to the owner as long as the owner is not at fault for the vacancy and regularly works diligently to avoid or minimize the length of any vacancies. Payments are made for vacancies after the initial lease-up.

## **USE OF HUD VASH VOUCHERS FOR PROJECT-BASED VOUCHER CONTRACTS**

At the request of the local VA Medical Center (VAMC), HUD-VASH vouchers may be allocated to Project-Based voucher contracts at the time a PBV contract is executed, with the approval of the PHA. The PHA will not combine HUD-VASH vouchers with regular Project-Based vouchers to provide assistance under the same contract. A PBV contract funded with HUD-VASH vouchers will follow this Administrative Plan in all respects except where waivers or alternative requirements have been determined by HUD.

## **Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]**

The PHA will advertise its request for proposals (RFP) in the following newspapers and trade journals.

The Long Beach Press Telegram or other newspapers of general circulation, and may advertise through other media, such as local cable television, as well.

In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

The PHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Proposals will be due in the PHA office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to the PHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

Extent to which units are occupied by families that are eligible to participate in the PBV program.

In addition to advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal on its merits using the following factors:

Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities; and

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

### **PHA Notice of Owner Selection [24 CFR 983.51(d)]**

Within 10 business days of the PHA making the selection, the PHA will notify the selected owner in writing of the owner's selection for the PBV program. The PHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the PHA will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals the PHA used to solicit the proposals. The announcement will include the name of the owner that was selected

for the PBV program. The PHA will also post the notice of owner selection on its electronic web site.

The PHA will make available to any interested party its rating and ranking sheets and documents that identify the PHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The PHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The PHA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.

### **SITE SELECTION STANDARDS**

It is the PHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the PHA will grant exceptions to the 20 percent standard where the PHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;

- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

- A census tract where there has been an overall decline in the poverty rate within the past five years; or

- A census tract where there are meaningful opportunities for educational and economic advancement.

Under no circumstances will the PHA approve PBV assistance in a census tract with a concentration factor greater than 75 percent of the community-wide poverty rate or forty percent, whichever is lower.

### **E. RENT CALCULATION**

1. HUD regulations provide that the PBA rents must be rent reasonable, as determined by a State-Certified Appraiser.
2. Contracts rents are limited to 110% of established fair market rent (FMR) and include the utility allowance for both the initial rent and annual adjustments.

3. Approval from HUD of the rent amount will be required for projects owned or substantially controlled by the Housing Authority and for projects subject to a Subsidy Layering Review by HUD (this includes projects utilizing Low-Income Housing Tax Credits).
4. For projects utilizing the Low-Income Housing Tax Credit (LIHTC) (the LIHTC is a tax incentive intended to increase the availability of low-income housing) and which are located OUTSIDE a Qualified Census Tract (QCT) (QCT's are designated by HUD on an annual basis and have a poverty rate of 25% or more, which exceeds the 20% poverty rate allowed by the PBA program), the rent limit may be as high as the amount charged for an LIHTC rent-restricted unit in the project, if it higher than 110% of Fair Market Rent (FMR). If the LIHTC rent is lower, the rent limit may remain at 110% of FMR. In all cases, however, the rents approved must be reasonable in relation to rents charged in the private market for comparable unassisted units in the area, as determined by the Housing Authority.
5. An owner's request for a rent increase must be submitted to the PHA 90 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

## **F. ADVERTISING PROCEDURES**

The Housing Authority will advertise in a newspaper of general circulation that the Housing Authority will accept applications for assistance under a PBA program for specific types of rehabilitation, new construction, and existing housing projects depending upon need as determined by the Housing Authority. The advertisement must be approved by the HUD field office and may not be published until after the latter of HUD authorization to implement a project-based program or ACC execution. Existing projects in which 25% or less of the units will be assisted will be advertised separately.

The HA will advertise in the Long Beach Press Telegram or other newspapers of general circulation, and may advertise through other media, such as local cable television, as well.

The advertisement will be published once a week for three consecutive weeks and will state the following:

- Application deadline (at least thirty (30) days after the last published date of advertisement).
- Number of units the Housing Authority estimates it will be able to assist under the funding it is making available for this purpose.
- Only applications submitted in response to the advertisement will be considered.

Substantially, the following format will be used for all notices advertising Housing Authority acceptance of applications for rehabilitation or new construction projects for the PBA program:

--

The Housing Authority of the City of Long Beach ("HA") will be accepting applications from property owners for project-based assistance ("PBA") under the Section 8 Program. This Request for Proposals ("RFP") is established pursuant to Title 24, Chapter VII of the Code of Federal Regulations, 24 CFR, Section 983 ("Project-Based Certificate Program".)

**Under the PBA Program, the HA will attach a Section 8 Housing Assistance Payments ("HAP") Contract to a unit if the owner agrees to rehabilitate or construct the unit other than with assistance provided under the United States Housing Act of 1937. The rent for each unit in the selected structure(s) will be subsidized by the HA when the owner leases the unit to an eligible family. The purpose of this program is to encourage property owners to construct standard or upgrade substandard rental housing stock, and make it available to low-income families at rents within the Section 8 existing housing fair market rents.**

**Rehabilitation or new construction of selected projects cannot begin until the Housing Authority and the owner(s) have executed an Agreement to enter into a Housing Assistance Payments Contract.**

The HACLB estimates that up to (# of units) units of (type) of housing in the City of Long Beach will be assisted under the funding available for this purpose.

RFP Packets will be available at the Housing Authority of the City of Long Beach office at 521 East Fourth Street, Long Beach, CA 90802, between the hours of 7:30 a.m. and 4:30 p.m. from (initial date) through (closing date). The application submission deadline is (deadline date) (30 days after the advertisement is last published).

Only applications submitted in response to this advertisement will be considered.

For additional information, please contact \_\_\_\_\_ at (562) \_\_\_\_\_.

## **G. APPLICATION AND REVIEW PROCESS**

The following procedures will be follow by the HA in accepting and screening owner applications submitted for the PBA:

1. Application Submission Deadline. Owner applications will be accepted until the published deadline at the Housing Authority Office indicated on the RFP. The Housing Authority will date and time stamp all applications upon receipt. Applications received after the filing deadline will not be accepted. Postmarks are not acceptable.
2. Application Format. Owner applications are to be completed using the forms and/or format described in the Request for Proposals.
3. Incomplete Applications. If, after the HA review, an application is found to be deficient in that it fails to comply with the RFP, HUD regulations referenced in the RFP, or written evaluation criteria referenced in the RFP, the applicant will be notified and given ten (10) working days to correct the deficiency. Minor typographical or calculation errors may be waived by the HA.

No application should be considered “approved” until all required approvals are given in writing. The application approval process may be terminated at any point that the HA determines that the application does not comply with the RFP or state, federal or local laws or regulations, and the applicant does not or cannot correct the problem within the specified period. The HA assumes no responsibility to any applicant or lender who acts in reliance on participation in the program until such written approvals are given.

4. Application Content. The application will list the property requirements for rehabilitation and new construction projects, and for existing housing, including the site and neighborhood standards (983.6), zoning requirements, eligible/ineligible properties (983.7), per unit minimum cost factor (rehabilitation only; 983.8), FMR limitations (882.714), and other Federal Requirements (983.11) as described in the RFP.

Applications must also include the following items as described in the RFP:

5. A detailed description of the housing to be constructed or rehabilitated, including:
  - a. The number of units by size (square footage), bedroom count, and bathroom count;
  - b. Sketches of the proposed new construction or rehabilitation;
  - c. Unit plans;
  - d. A listing of amenities and services; and



- e. The estimated date of completion;
- 6. For rehabilitation, the description must describe the property as is and must also describe the proposed rehabilitation.
- 7. Evidence of site control.
- 8. For new construction, the application must include identification and description of the proposed site, site plan and neighborhood.
- 9. Evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations, or evidence to indicate that the needed rezoning is likely to be obtained and will not delay the project.
- 10. The proposed contract rent per unit, including which utilities, services and equipment are included in the rent. For those utilities that are not included in the rent, an estimate of the average monthly cost of each unit type for the first year of occupancy.
- 11. For rehabilitation projects, the owner must prepare a work write-up and, where determined necessary by the Housing Authority, specifications and plans. The HA has flexibility to determine the appropriate documentation to be submitted by the owner based on the nature of the identified rehabilitation. The work write-ups must address the specific work items identified by the HA under section 983.52 (a).
- 12. A statement identifying:
  - a. The number of persons (families, individuals, businesses and non-profit organizations) occupying the property on the date of the submission of the application;
  - b. The number of persons to be displaced, temporarily relocated or moved permanently within the building or complex;
  - c. The estimated cost of relocation payments and services, and the sources of funding;
  - d. The organization(s) that will carry out the relocation activities; and
  - e. Information regarding the owner and other project principals including:

- (i) The identity of the owner and other project principals and the names of officers and principal members, shareholders, investors, and other parties having a substantial interest;
- (ii) certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- (iii) A disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP contract; and
- (iv) Information on the qualifications and experience of the principal participants.

Information concerning any participant who is not known at the time of the owner's submission must be provided to the HA as soon as the participant is known.

## **H. APPLICATION REVIEW PANEL**

Applications shall be reviewed and ranked by an Application Review Panel appointed by the Executive Director or their designee. In the event that an entity which receives a substantial portion of its funding from the HA has submitted an application, HUD shall determine if there is a conflict of interest in having the Application Review Panel review and rank the applications. If it so determines, HUD shall sit in place of the Application Review Panel and shall apply the Unit Selection Policy of the HA in reviewing and ranking applications.

## **I. APPLICATION REVIEW**

The Housing Authority (or HUD, if there are HA-owned or controlled applications) will review all applications. Before selecting units, the HA will determine that each application is responsive to and in compliance with the HA's written selection criteria and procedures, and in conformity with HUD program regulations and requirements, including the following:

1. Evidence of site control.
2. Certification that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

3. Proposed initial gross rents must be within the FMR limitation as described in Section 882.714 of the regulations.
4. Property must meet eligibility requirements under section 983.6 (Site and Neighborhood Standards), section 983.7 (Eligible and Ineligible Properties and HA-owned units), and section 983.11 (Other Federal Requirements).
5. Property will be rehabilitated or constructed with other than assistance under the U.S. Housing Act of 1937, in accordance with section 983.9.
6. No rehabilitated or construction has begun (as evidence by HA inspection).
7. **FOR REHABILITATION ONLY:** Property meets the \$1,000 per assisted unit requirement under section 983.8 of the regulations (as evidence by HA inspection).

If the property meets this requirement, the HA will determine the specific work items needed to bring up each unit to the HQS as described in section 983.5, other repairs needed to meet the \$1,000 requirement, and in the case of projects of **five or more units**, any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973.

8. **FOR NEW CONSTRUCTION ONLY:** For projects of **four or more units**, the HA will determine whether any work items necessary to meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988 will be completed.
9. The number of current tenants (for rehabilitation projects) that are low-income families. The HA may not select a unit or enter into an Agreement with respect to a unit if the unit is occupied by persons who are not eligible for participation in the program.

If the proposal does not meet the requirements as indicated above, it will be designated as non-responsive and a notice to that effect, identifying the disqualifying factor, will be sent to the applicant (See Section 7.c., Incomplete Applications).

Proposals that meet the requirements will be evaluated and ranked by the Application Review Panel. An Application Review Panel Ranking list will be prepared according to points awarded to each proposal. The HA may, at its discretion, select one or more of the proposals submitted, or none of the proposals submitted.

**FOR NEW CONSTRUCTIONS PROJECTS ONLY:** The HA must submit to the HUD field office **for the site and neighborhood review** only those applications determined by the HA to be eligible for further processing pursuant to paragraph (a) of section 983.55. The applications will be submitted to the HUD field office with a certification stating that the unit or units selected in accordance with the HA's approved unit selection policy. The HA's submission will not exceed the number of uncommitted units for which the HA is authorized to designate as PBA units in connection with new construction. If the number of the units contained in applications the HA has determined to be eligible for further processing exceeds the number for which the HA is authorized to designate as PBA units, the HA may submit only the top-ranked applications.

## **J. OTHER REQUIREMENTS**

1. Before executing an Agreement with any selected owner, the HA must:
  - a. Contract with a State-Certified Appraiser and establish the rents in accordance with section 983.12, or seek and obtain the HUD-determined initial contract rents for any HA-owned or controlled units or projects financed with a HUD insured or co-insured multi-family mortgage.
  - b. Only subsidy layering contract rent reviews from HUD or a Housing Credit Agency, if necessary.
  - c. Obtain environmental clearance in accordance with section 983.11.
  - d. Submit a certification to the HUD field office stating that the project or units were selected in accordance with the HA's approved unit selection policy.
    - (i) The HUD field office must establish initial contract rents for any HA-owned units or projects financed with HUD insured or co-insured multi-family mortgage. HUD (or a Housing Credit Agency) must also conduct subsidy layering contract rent reviews.
    - (ii) Before an Agreement is executed for new construction units, the owner must submit the design architect's certification that the proposed new construction reflected in the working drawings and specifications complies with HQS local codes and ordinances, and zoning requirements.

## **K. RANKING AND SELECTION FACTORS**

The following factors will be used by the HA to rank and select applications for the PBA program. Each factor is comprised of several components with an associated point value. The HA may include additional factors to address local objectives for the specific RFP being published. The total points awarded to an application will be aggregate of the component subtotals for each factor.

### **FACTOR DESCRIPTION AND POINTS**

<b>FACTOR</b>	<b>POINTS</b>
A. Site	25
B. Design	30
C. Previous experience of owner and participants in development, marketing and management of affordable low-income housing	35
D. Feasibility of the project as a whole (including likelihood of financing and marketability)	50
E. Local Objectives	45
<b>TOTAL POINTS:</b>	<b>185</b>

### **FACTOR COMPONENTS:**

<b>A. SITE</b>		
1.	Residential in nature (based on zoning).	5
2.	Adequate in size, exposure and contour to accommodate the # and type of units proposed; adequate utilities (water, sewer, gas, electricity) and streets available to serve the site.	5
3.	Promotes greater choice of housing opportunities and avoids undue concentration of assisted persons in areas containing a high proportion of low-income persons.	5

4.	Accessible to social, recreational, educational, commercial, and health facilities and services equivalent to those typically found in similar, unassisted neighborhoods.	5
5.	Does not require excessive time or cost to travel to places of employment providing a range of jobs for lower-income workers. (Less rigid for elderly projects).	5
	<b>POINT SUBTOTAL</b>	<b>25*</b>
6.	*For NEW CONSTRUCTION projects only (item 6 & 7):  Site is not located in an area of minority concentration OR meets HUD's requirements regarding sites with minority concentration. <b>(If this criteria is NOT MET, subtract 2.5 points from total).</b>	
7.	Neighborhood is not seriously detrimental to families and is not predominated by substandard dwellings or other undesirable conditions unless there is actively in progress a concerted program to remedy such situations.  <b>(If this criteria is NOT MET, subtract 2.5 points from total).</b>	
	<b>TOTAL POINTS</b>	<b>25</b>

## B. DESIGN

1.	Design or rehabilitation plans improve livability, viability and safety of home for residents.	5
2.	Design is appropriate for planned use (considering needs of special tenant population, etc.).	5
3.	(Design or) rehabilitation plans remove existing design hazards or flaws.	10
4.	Adequate utilities, parking and street access (complies with local building and zoning requirements without variance)	10
	<b>TOTAL POINTS</b>	<b>30</b>

## C. PREVIOUS EXPERIENCE OF APPLICANT AND RELATED PARTICIPANTS IN DEVELOPMENT, MARKETING AND MANAGEMENT

1.	Number of housing projects/units developed (as primary or co-sponsor).	5
2.	Number of <b>low-income/affordable</b> housing projects/units developed.	5
3.	Number of housing projects/units marketed and current occupancy rate.	5
4.	Number of <b>low-income/affordable</b> housing projects/units marketed and	5

	current occupancy rate.	
5.	Number of years of project management experience, including number of projects and units. (If applicant uses a property management company, include same info for that company).	5
6.	Number of year's <b>low-income/affordable</b> housing management experience (If applicant uses a property management company, include the same information for that company).	5
7.	Evidence of minority and/or women owning 50% or more of business.	5
	<b>TOTAL POINTS</b>	<b>35</b>

<b>D. FEASIBILITY OF THE PROJECT AS A WHOLE (including likelihood of financing and marketability).</b>		
1.	Evidence that financing is secured, or notes of commitment obtained.	20
2.	Evidence that PBA will be utilized or that existing tenants qualify for assistance if under PBA.	10
3.	Evidence that local Fair Market Rents will provide sufficient funds to assist financial stability.	20
	<b>TOTAL POINTS</b>	<b>50</b>

<b>E. LOCAL OBJECTIVES</b>		
1.	Rehabilitation can be completed within 12 months of approval/Execution of Agreement to Enter into HAP, or 12 months from start of construction.	20
2.	Emphasis on meeting priority needs of the community.**	20
3.	Supportive services designed to enhance employment skills, education, and self-sufficiency is offered to tenants.	5
	<b>TOTAL POINTS</b>	<b>45</b>

\*\*Priority Needs would be those indicated in the adopted City of Long Beach Consolidated Plan or any other document that indicates the City's needs as it relates to housing. Applicants will be asked for justification/documentation of how their project meets priority needs.